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10/4/2013



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***World Agricultural Supply and
Demand Estimates***

Report of February 8, 2018

Interagency Commodity Estimates Committee Forecasts

World Agricultural Outlook Board, Chair

Economic Research Service

Foreign Agricultural Service

Farm Service Agency

Agricultural Marketing Service

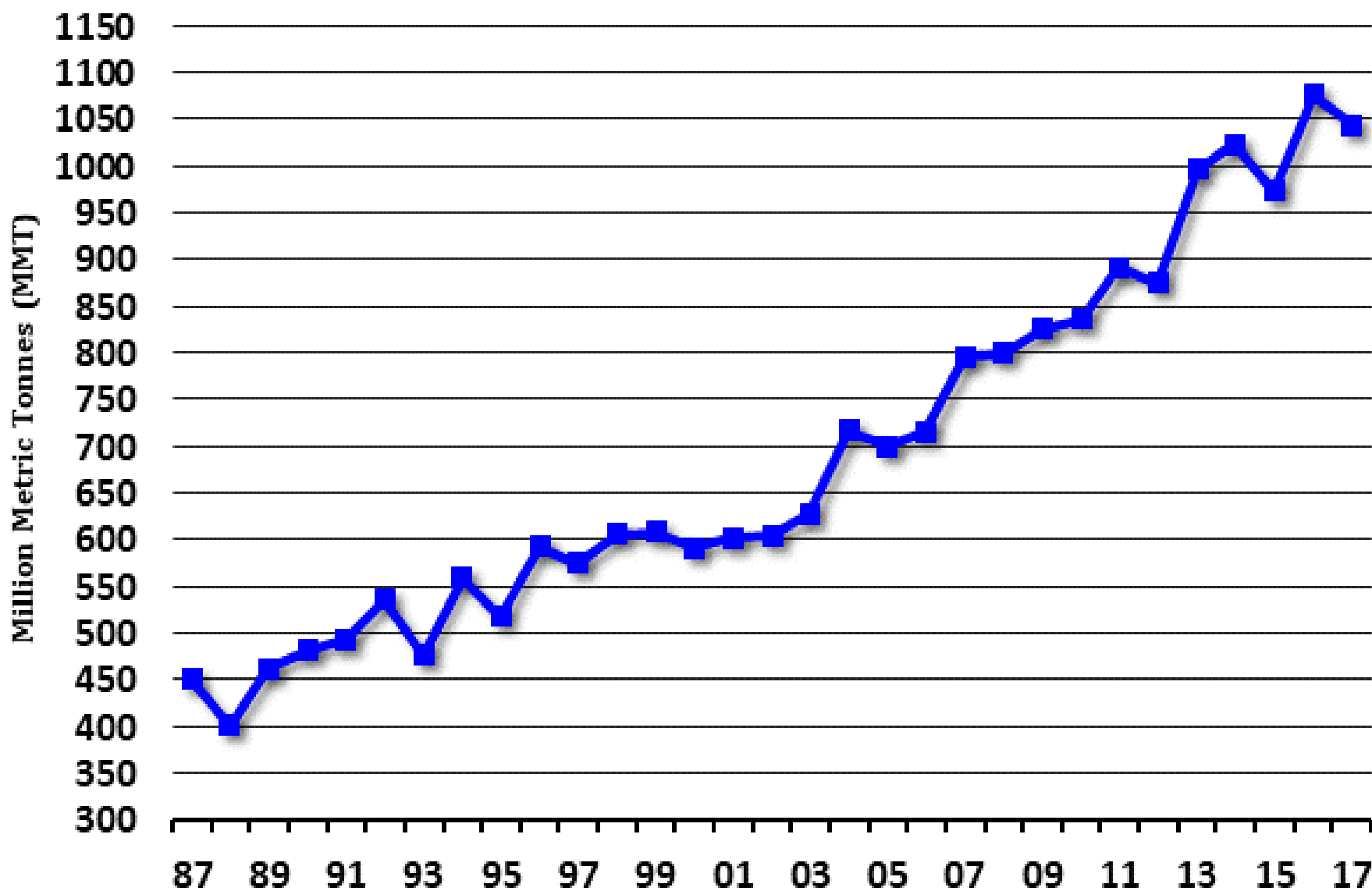
Price Summary

	2016/17 estimate	2017/18 forecast	Change from January 12	Change from 2016/17
<i>Crops and products</i>				
Wheat (\$/bu)	3.89	4.60	--	0.71
Rice (\$/cwt)	10.40	12.50	-0.10	2.10
Corn (\$/bu)	3.36	3.30	0.05	-0.06
Soybeans (\$/bu)	9.47	9.30	--	-0.17
Soybean oil (¢/lb)	32.48	32.50	-1.00	0.02
Soybean meal (\$/s.t.)	316.88	320.00	5.00	3.12
Cotton (¢/lb)	68.00	69.00	--	1.00
<i>Livestock</i>				
Steers (\$/cwt)	121.52	119.25	1.00	-2.27
Hogs (\$/cwt)	50.48	48.00	0.25	-2.48
Broilers (¢/lb)	93.5	90.8	0.3	-2.8
Turkeys (¢/lb)	96.1	91.3	0.3	-4.8
<i>Dairy products</i>				
Cheese	1.63	1.57	-0.01	-0.07
Butter	2.33	2.25	-0.05	-0.08
Nonfat dry milk	0.87	0.75	0.00	-0.12
Dry whey	0.44	0.28	0.00	-0.16
<i>Milk classes</i>				
Class III (\$/cwt)	16.17	14.55	-0.10	-1.62
Class IV (\$/cwt)	15.16	13.75	-0.25	-1.41
All milk (\$/cwt)	17.63	16.05	-0.15	-1.58

-- No change

February 8, 2018

World Corn - Production

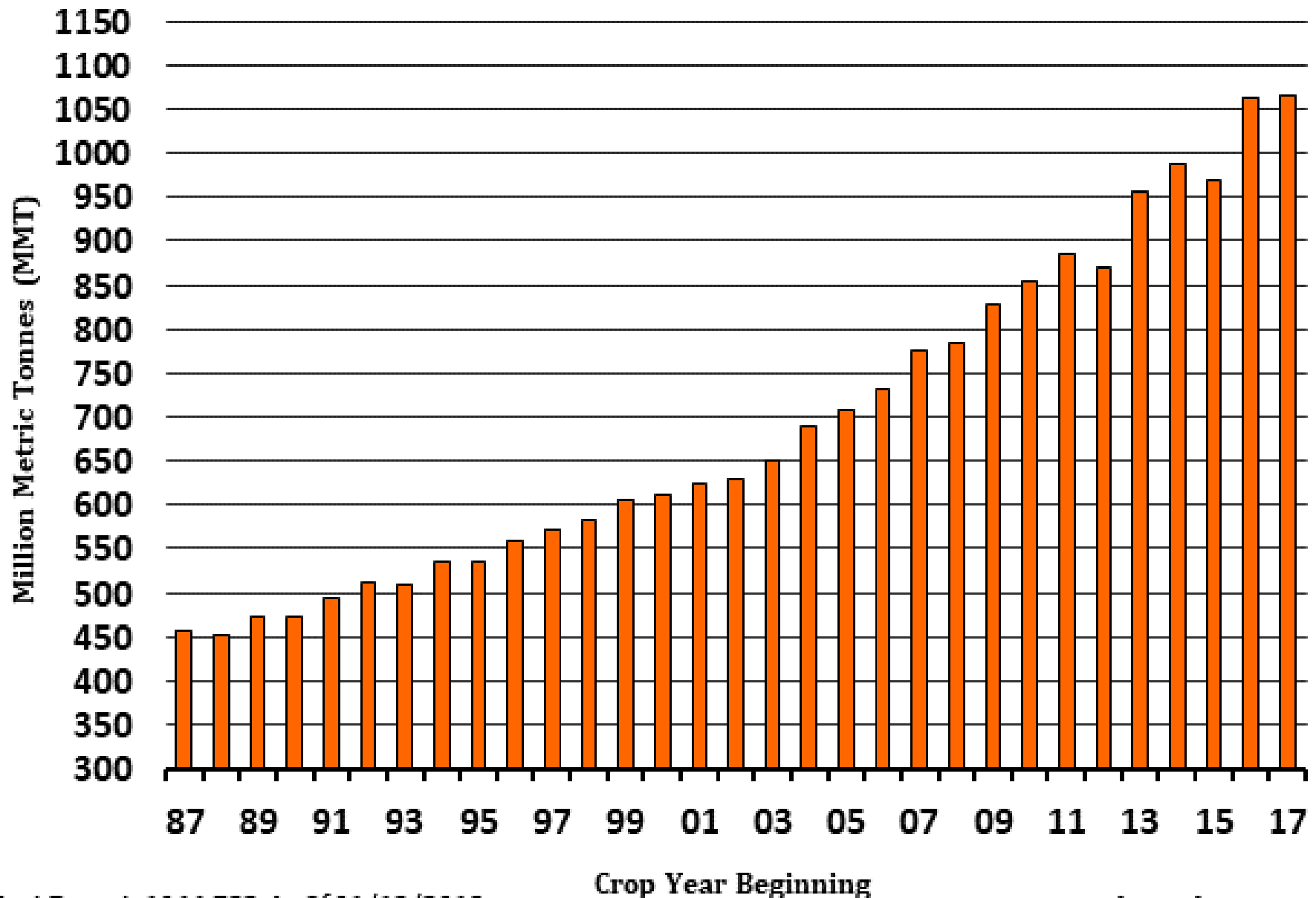


Most Recent: 1044.556 As Of 01/12/2018

Crop Year Beginning

The Hightower Report

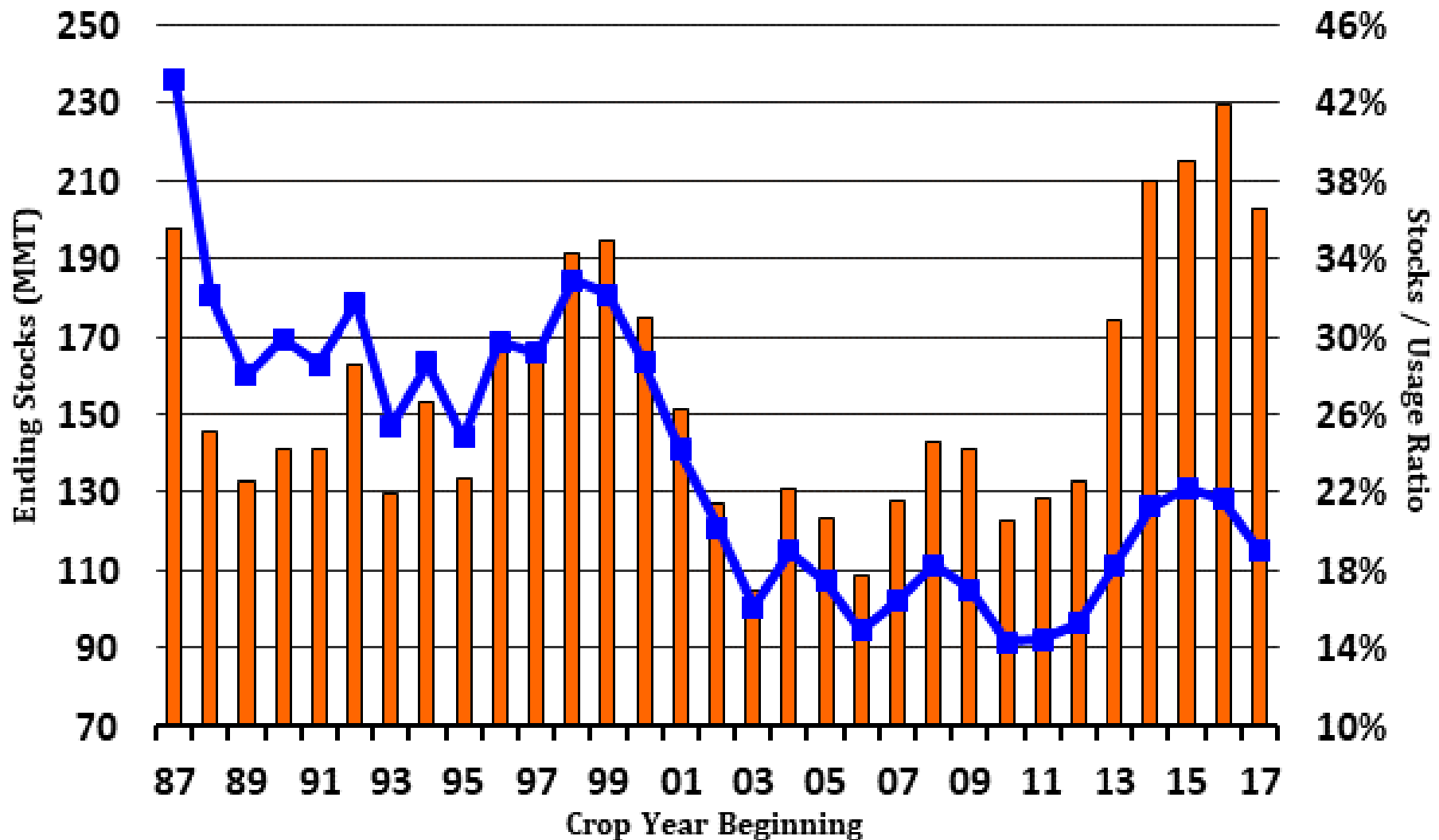
World Corn - Domestic Usage



Most Recent: 1066.732 As Of 01/12/2018

The Hightower Report

World Corn - Ending Stocks vs. Stocks / Usage Ratio

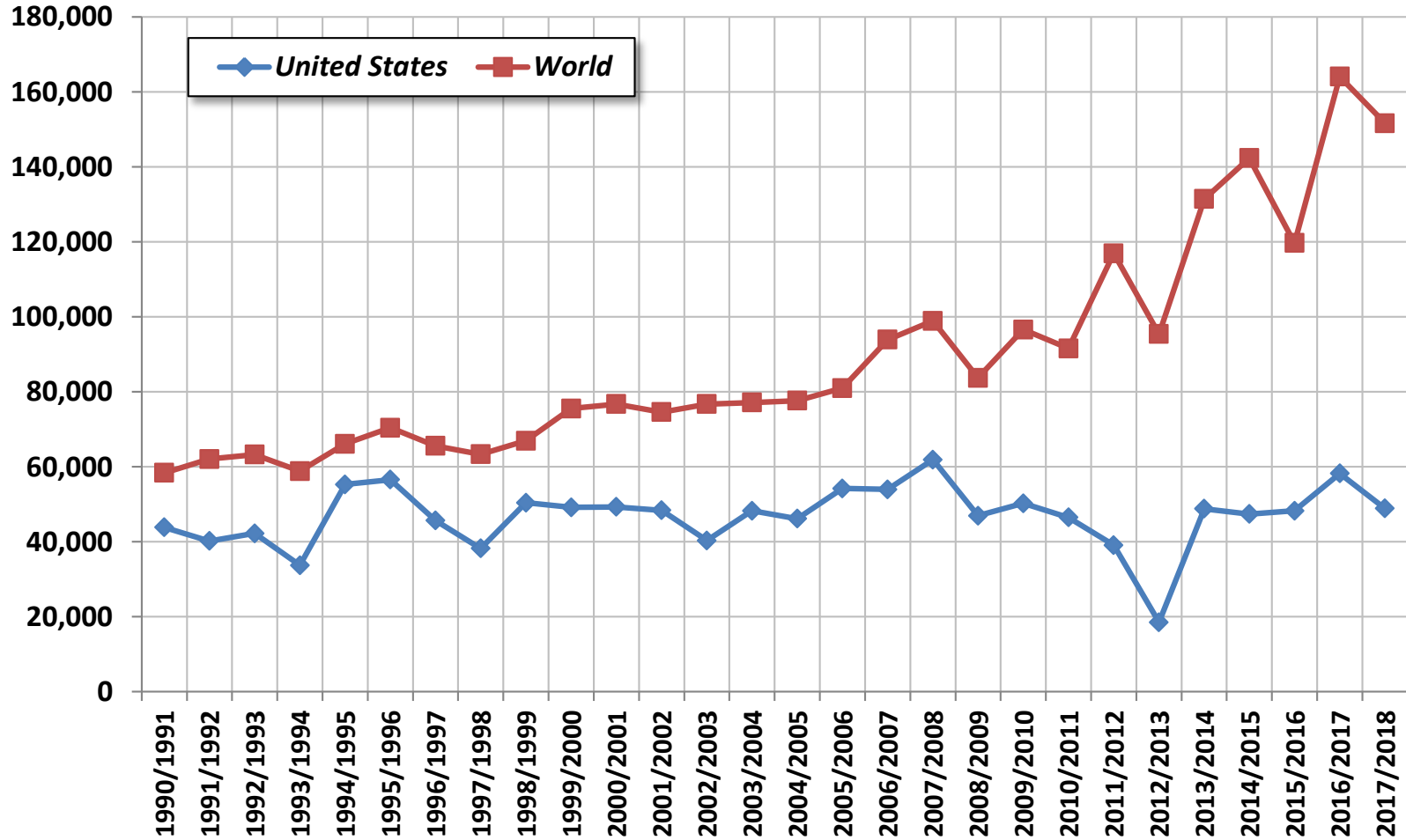


The Hightower Report | Source: USDA

Most Recent: As Of 02/08/2018



Corn Exports - World vs. US (1,000MT)



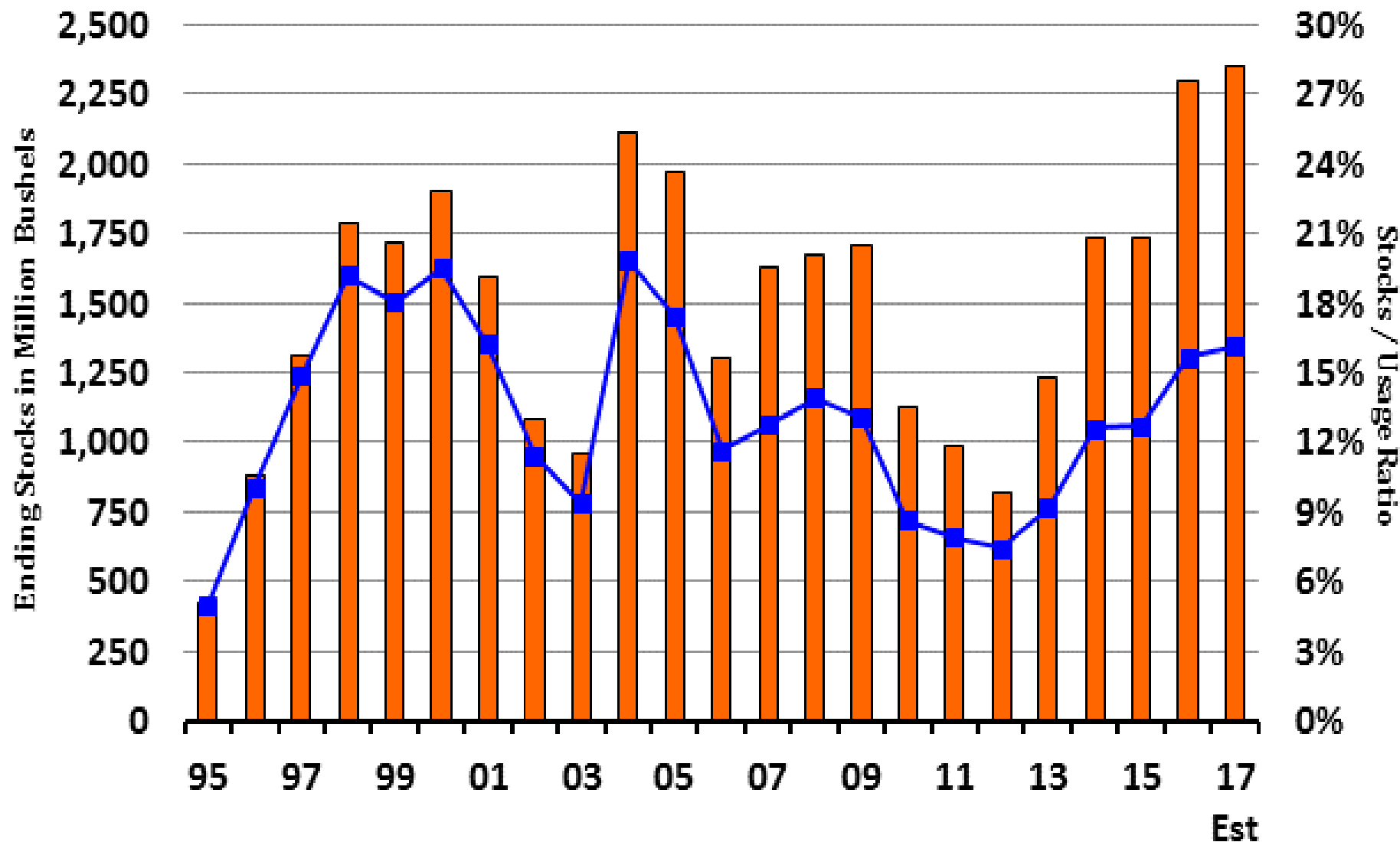
U.S. Corn Supply and Demand

	2016/17 estimate	2017/18 forecast	Change from January 12	Change from 2016/17
Planted area (million acres)	94.0	90.2	--	-3.8
Harvested area (million acres)	86.7	82.7	--	-4.0
Yield (bushels per acre)	174.6	176.6	--	2.0
<i>Million bushels</i>				
Beginning stocks	1,737	2,293	--	556
Production	15,148	14,604	--	-544
Imports	57	50	--	-7
Total supply	16,942	16,947	--	5
Feed and residual	5,467	5,550	--	83
Food, seed, and industrial	6,889	6,995	--	106
Ethanol	5,439	5,525	--	86
Domestic use	12,356	12,545	--	189
Exports	2,293	2,050	125	-243
Total use	14,649	14,595	125	-54
Ending stocks	2,293	2,352	-125	59
<i>Percent</i>				
Stocks to use ratio	15.7	16.1	-1.0	0.5
<i>Dollars per bushel</i>				
Average market price	3.36	3.05/3.55	0.05	-0.06

-- No change

February 8, 2018

US Corn Ending Stocks vs Stocks / Usage Ratio



Updated: 02/08/2018

Ending Stocks Stocks as % of Usage

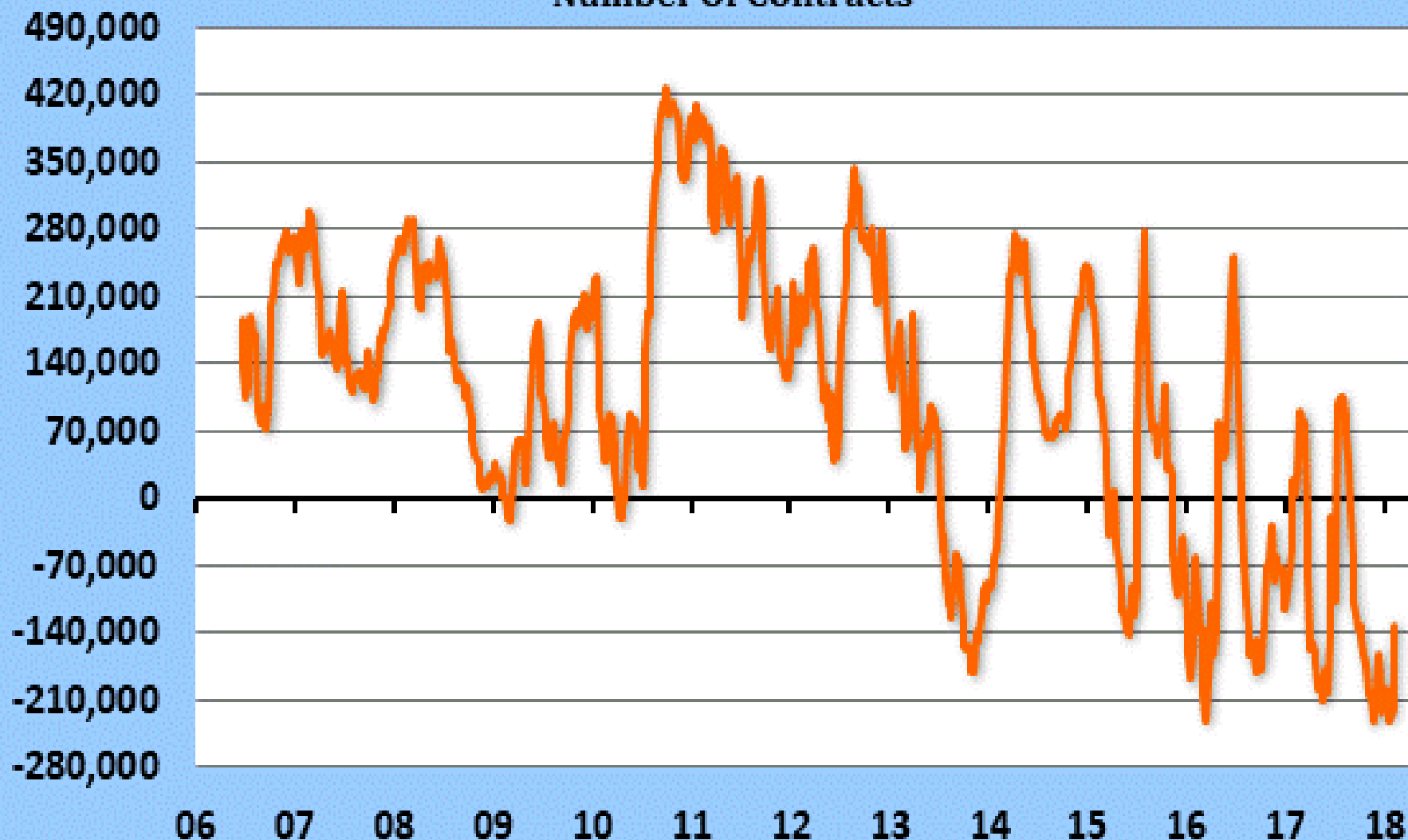
The Hightower Report

USDA SUPPLY/DEMAND										2018/19 Forecast		
US CORN										Various Yields		
	10-11	11-12	12-13	13-14	14-15	15-16	Feb USDA 16-17	Jan USDA 17-18	Feb USDA 17-18	Low	Average	High
Planted Area (M Acres)	88.2	91.9	97.3	95.4	90.6	88.0	94.0	90.2	90.2	89.0	89.0	89.0
Harvested Area (Acres)	81.4	83.9	87.4	87.4	83.1	80.8	86.7	82.7	82.7	81.6	81.6	81.6
Yield (Bu/Acre)	152.6	146.7	123.2	158.2	171.0	168.4	174.6	176.6	176.6	169.0	173.5	178.0
Beginning Stocks (M Bu)	1,708	1,128	989	821	1,232	1,731	1,737	2,293	2,293	2,352	2,352	2,352
Production	12,425	12,314	10,755	13,829	14,216	13,602	15,148	14,604	14,604	13,790	14,158	14,525
Imports	28	29	160	36	32	68	57	50	50	50	50	50
Supply, Total	14,161	13,471	11,904	14,686	15,479	15,401	16,942	16,947	16,947	16,192	16,560	16,927
Feed & Residual	4,770	4,512	4,309	5,001	5,280	5,114	5,467	5,550	5,550	5,550	5,550	5,550
Food, Seed & Industry	6,432	6,431	6,044	6,532	6,601	6,648	6,889	6,995	6,995	7,000	7,000	7,000
Ethanol for Fuel	5,019	5,000	4,641	5,124	5,200	5,224	5,439	5,525	5,525	5,525	5,525	5,525
Domestic Total	11,202	10,943	10,353	11,533	11,881	11,763	12,356	12,545	12,545	12,550	12,550	12,550
Total Exports	1,831	1,539	730	1,921	1,867	1,901	2,293	1,925	2,050	2,050	2,050	2,050
Use, Total	13,033	12,482	11,083	13,454	13,748	13,664	14,649	14,470	14,595	14,600	14,600	14,600
Ending Stocks	1,128	989	821	1,232	1,731	1,737	2,293	2,477	2,352	1,592	1,960	2,327
Stocks/Use Ratio	8.7%	7.9%	7.4%	9.2%	12.6%	12.7%	15.7%	17.1%	16.1%	10.9%	13.4%	15.9%

Corn - COT - Disaggregated Futures and Options

Managed Money - Net Position

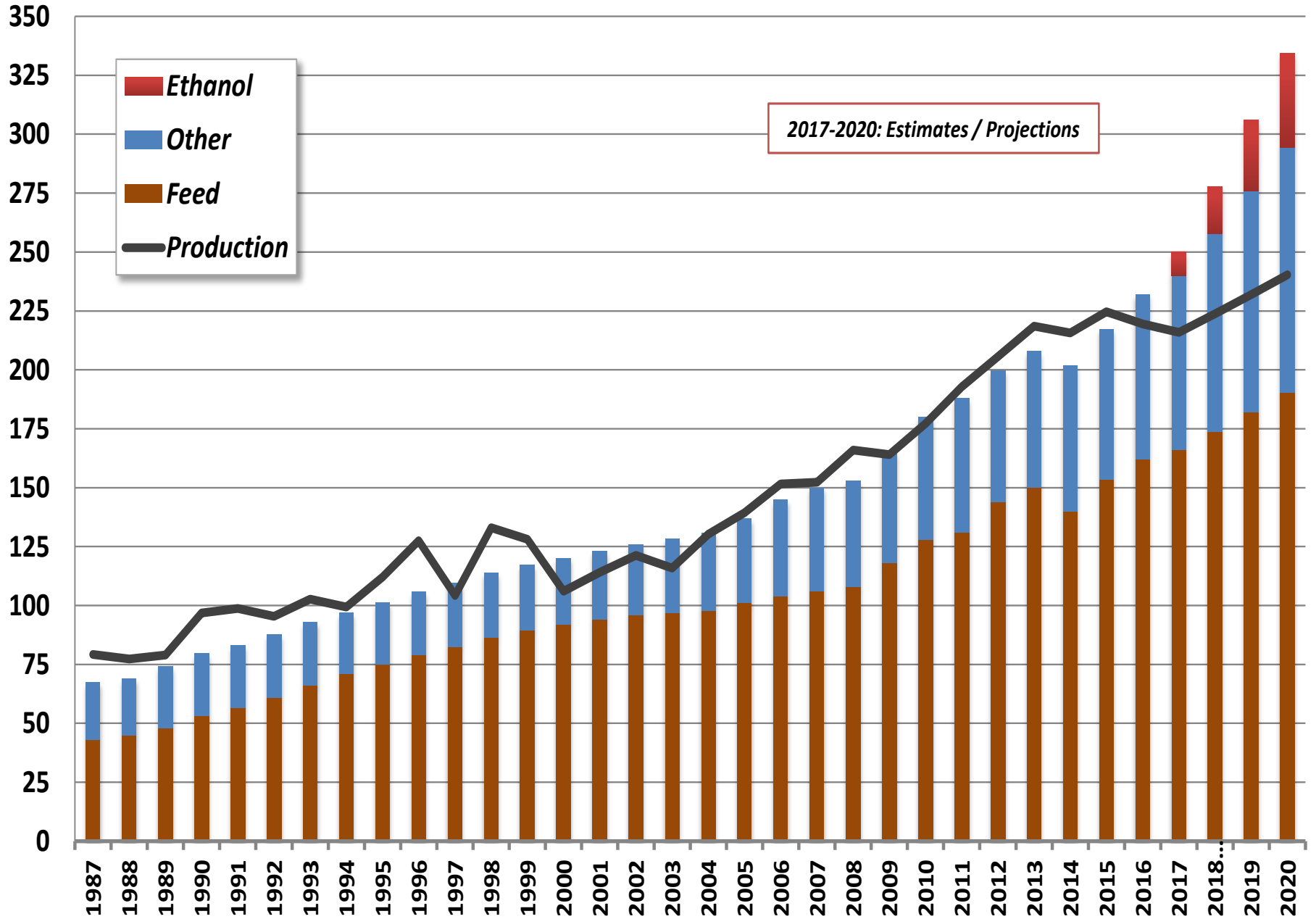
Number Of Contracts



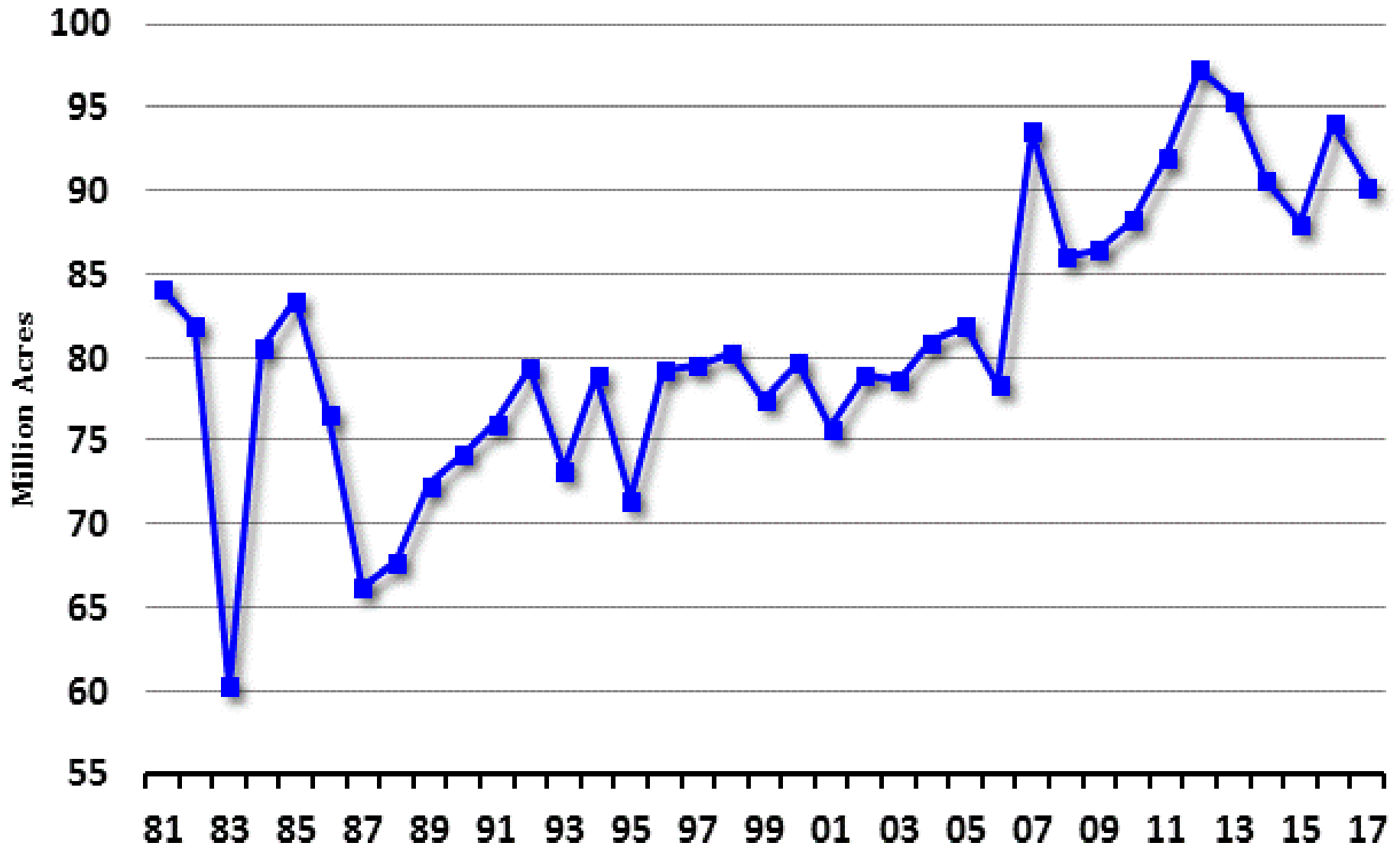
The Hightower Report | Source: CFTC

Max: 429,189 (9/28/2010) - Min: -230,556 (11/14/2017) - Most Recent: -130,942 (01/30/2018)

China Corn Domestic Usage vs. Production (MMT)



US Corn Planted Acreage

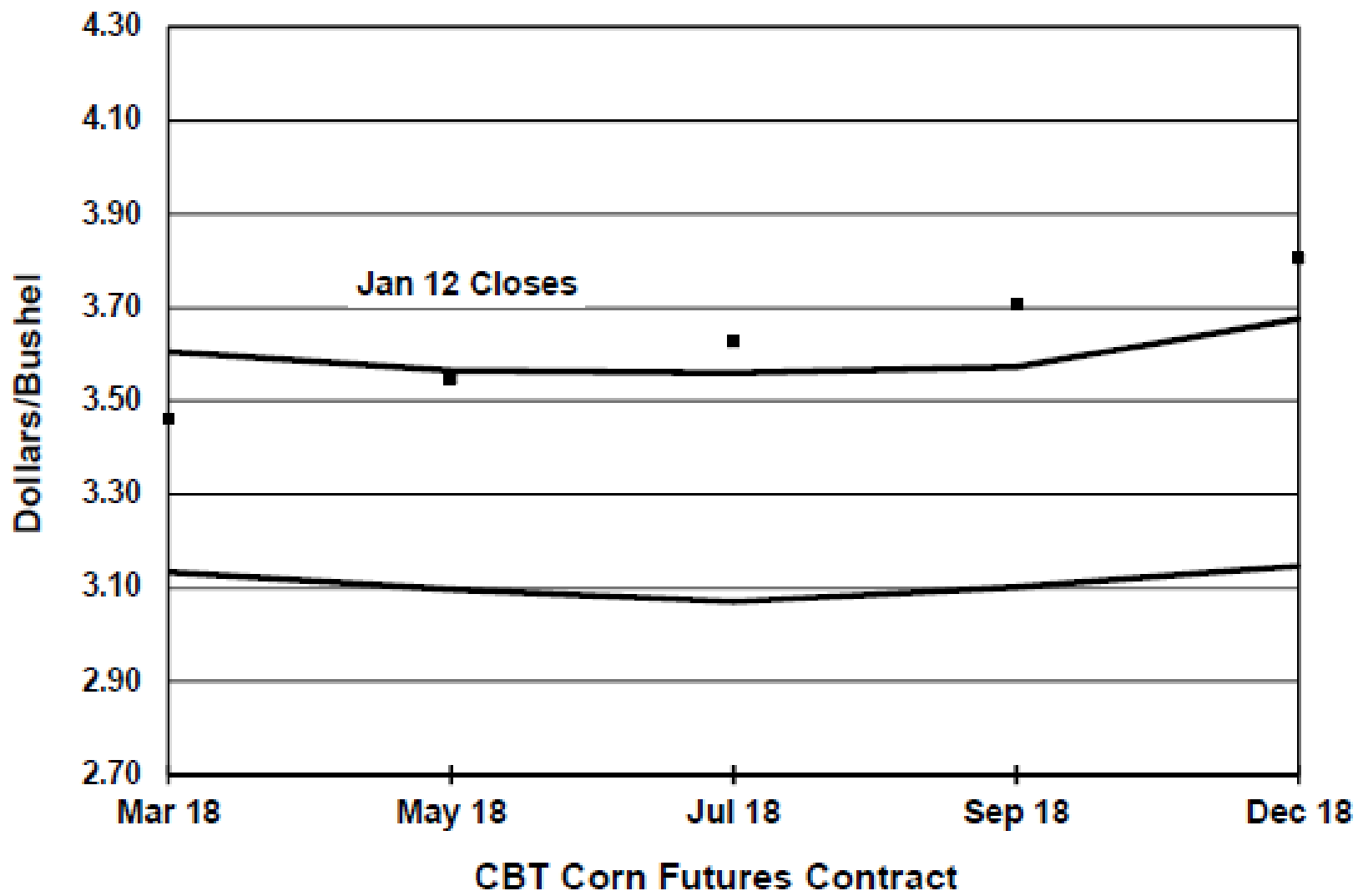


Est

The Hightower Report

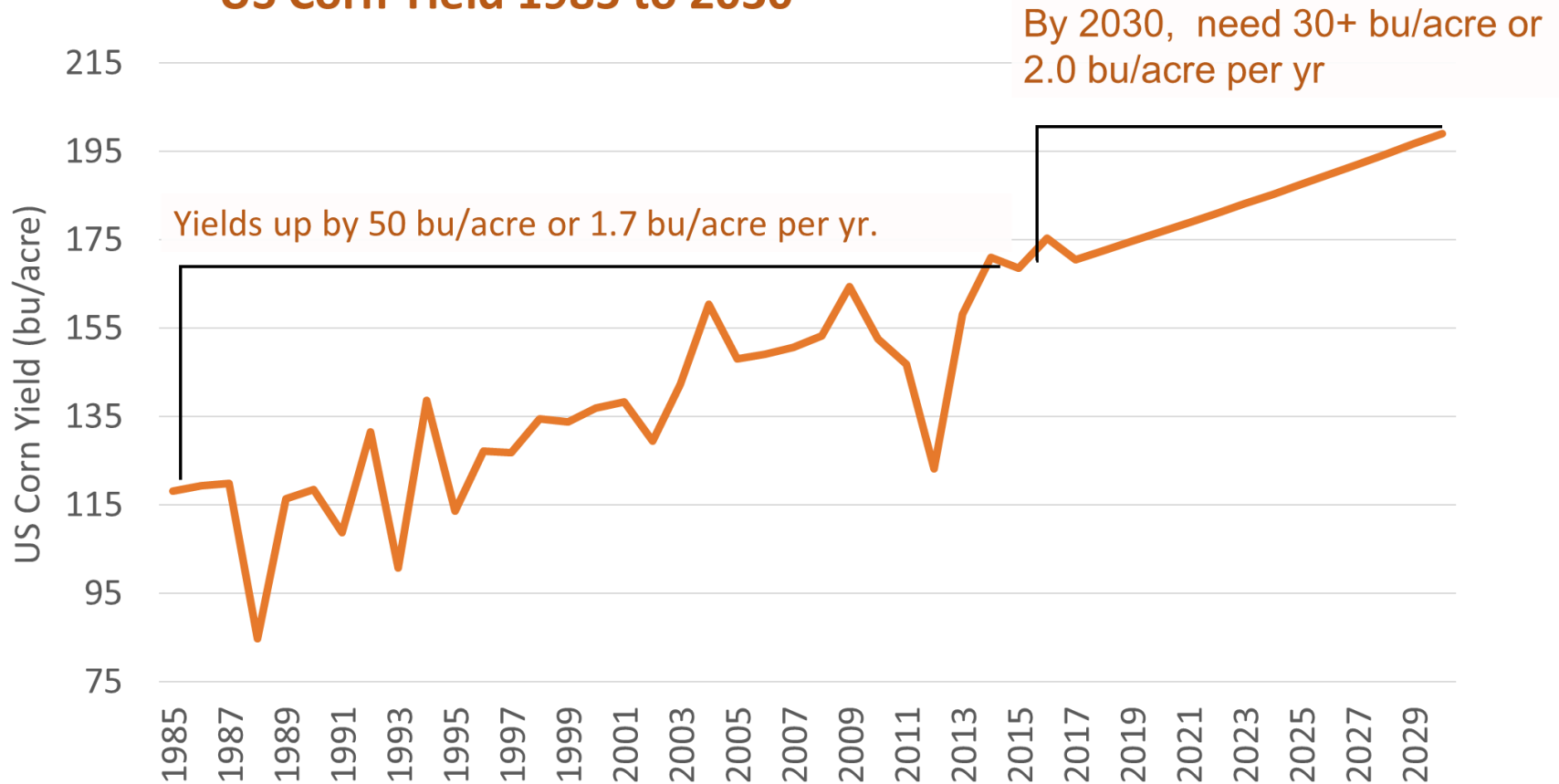
Most Recent: 90.2 As Of 01/12/2018

Corn Futures Trading Range Forecast

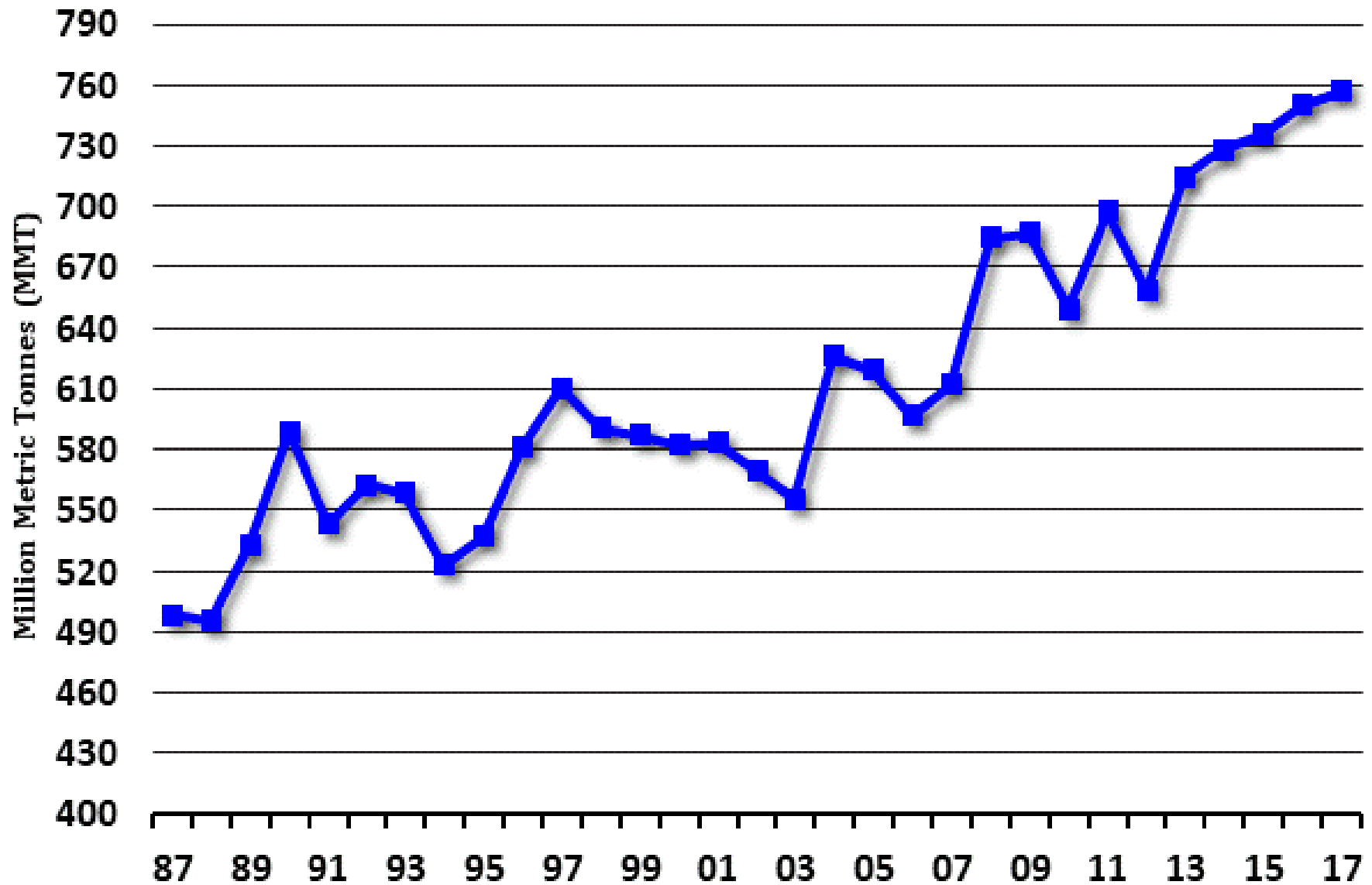


The Need for Innovation in Agriculture

US Corn Yield 1985 to 2030



World Wheat - Production

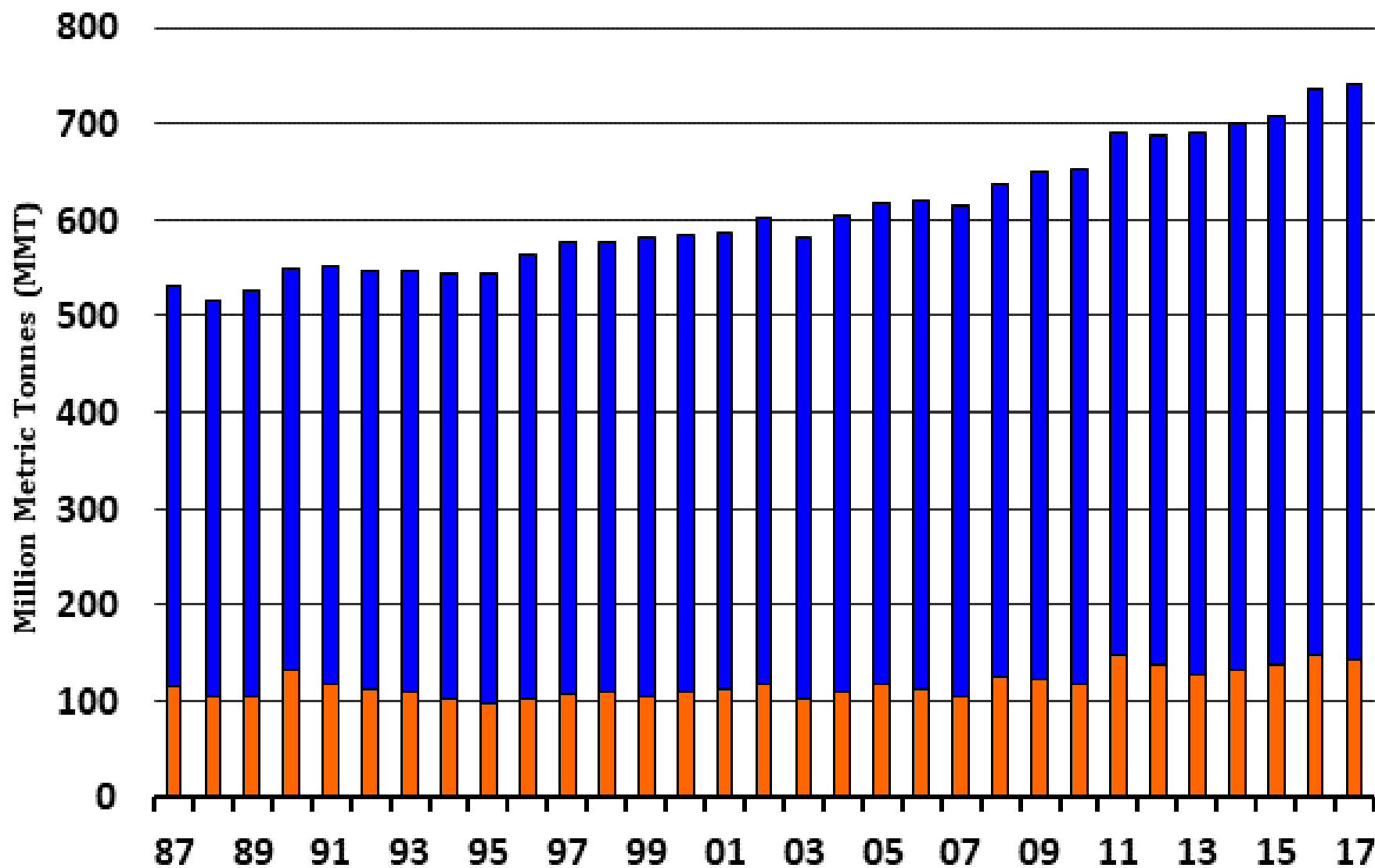


Most Recent: 757.006 As Of 01/12/2018

Crop Year Beginning

The Hightower Report

World Wheat - Usage

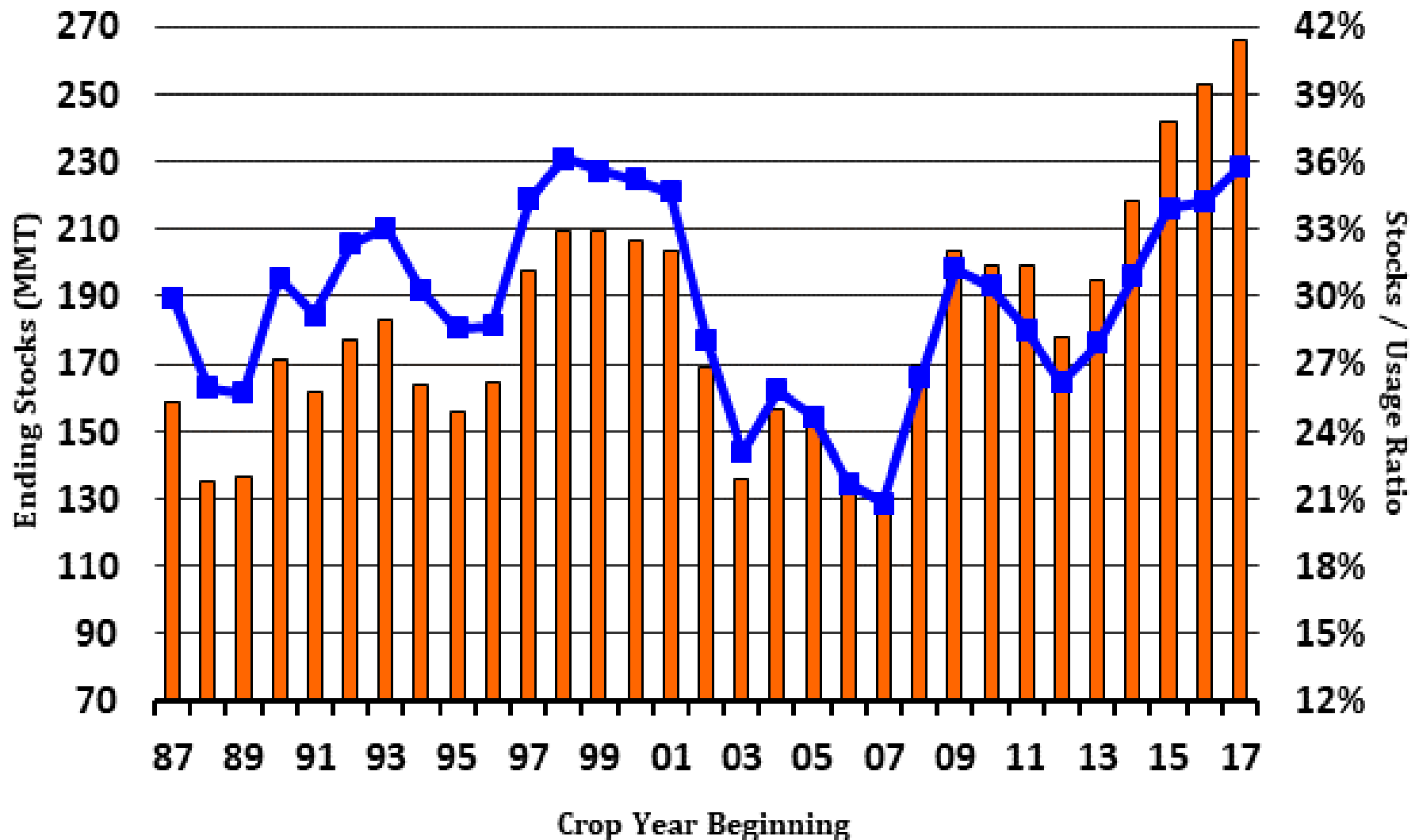


Most Recent: As Of 01/12/2018

Feed Food, Seed & Industrial

The Hightower Report

World Wheat - Ending Stocks vs. Stocks / Usage Ratio

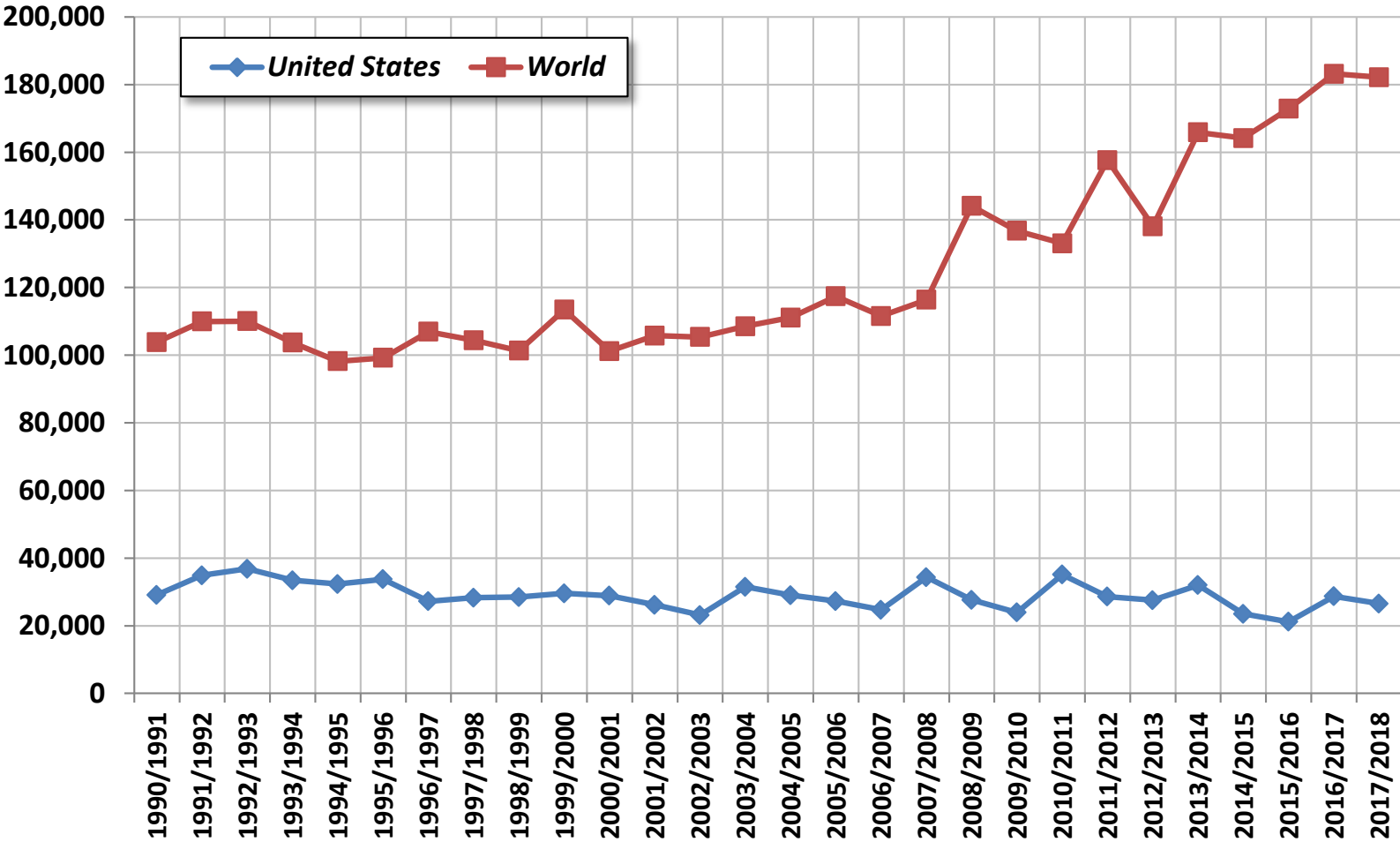


The Hightower Report

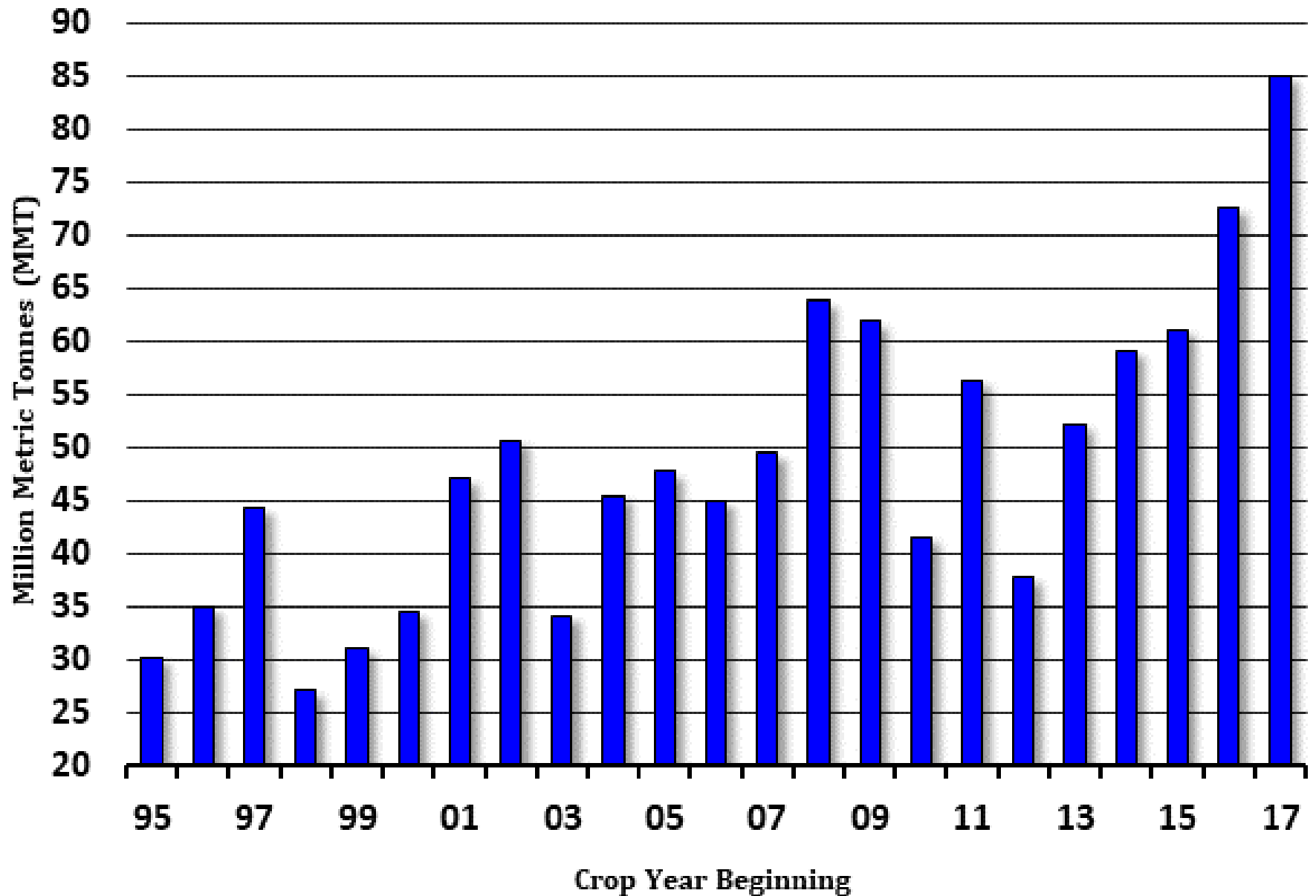
Most Recent: As Of 02/08/2018



Wheat Exports - World vs. US (1,000MT)



Russia Wheat - Production



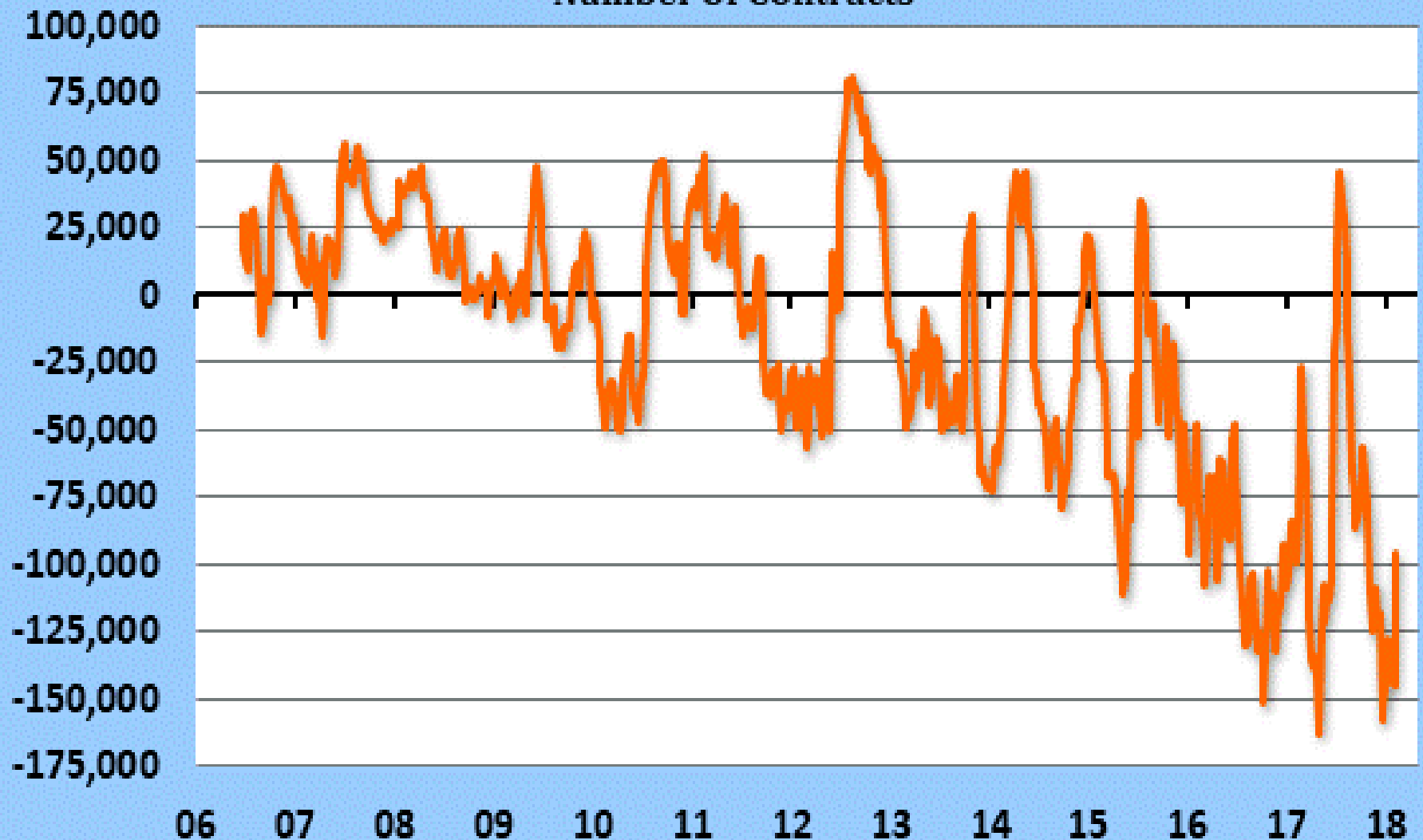
Most Recent: 85 As Of 01/12/2018

Source: USDA

Wheat - COT - Disaggregated Futures and Options

Managed Money - Net Position

Number Of Contracts



The Hightower Report | Source: CFTC

Max: 80,827 (8/7/2012) - Min: -162,327 (4/25/2017) - Most Recent: -96,763 (01/30/2018)

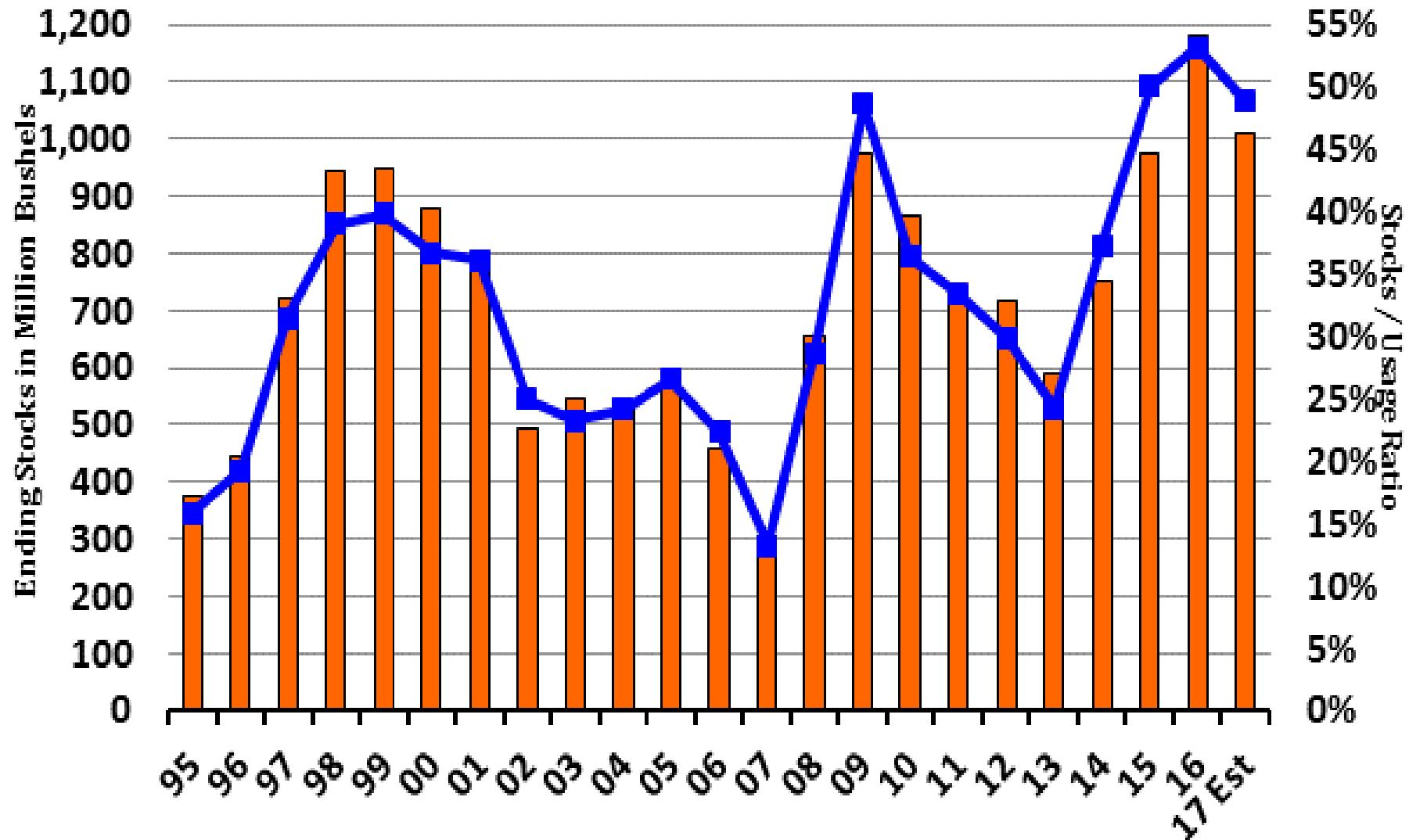
U.S. Wheat Supply and Demand

	2016/17 estimate	2017/18 forecast	Change from January 12	Change from 2016/17
Planted area (million acres)	50.1	46.0	--	-4.1
Harvested area (million acres)	43.9	37.6	--	-6.3
Yield (bushels per acre)	52.7	46.3	--	-6.3
	<i>Million bushels</i>			
Beginning stocks	976	1,181	--	205
Production	2,309	1,741	--	-568
Imports	118	155	--	37
Total supply	3,402	3,076	--	-326
Food use	949	955	5	6
Seed	61	62	--	1
Feed and residual	156	100	--	-56
Domestic use	1,167	1,117	5	-50
Exports	1,055	950	-25	-105
Total use	2,222	2,067	-20	-155
Ending stocks	1,181	1,009	20	-171
	<i>Percent</i>			
Stocks to use ratio	53.1	48.8	1.4	-4.3
	<i>Dollars per bushel</i>			
Average market price	3.89	4.55/4.65	--	0.71

-- No change

February 8, 2018

US All Wheat Ending Stocks vs Stocks / Usage Ratio

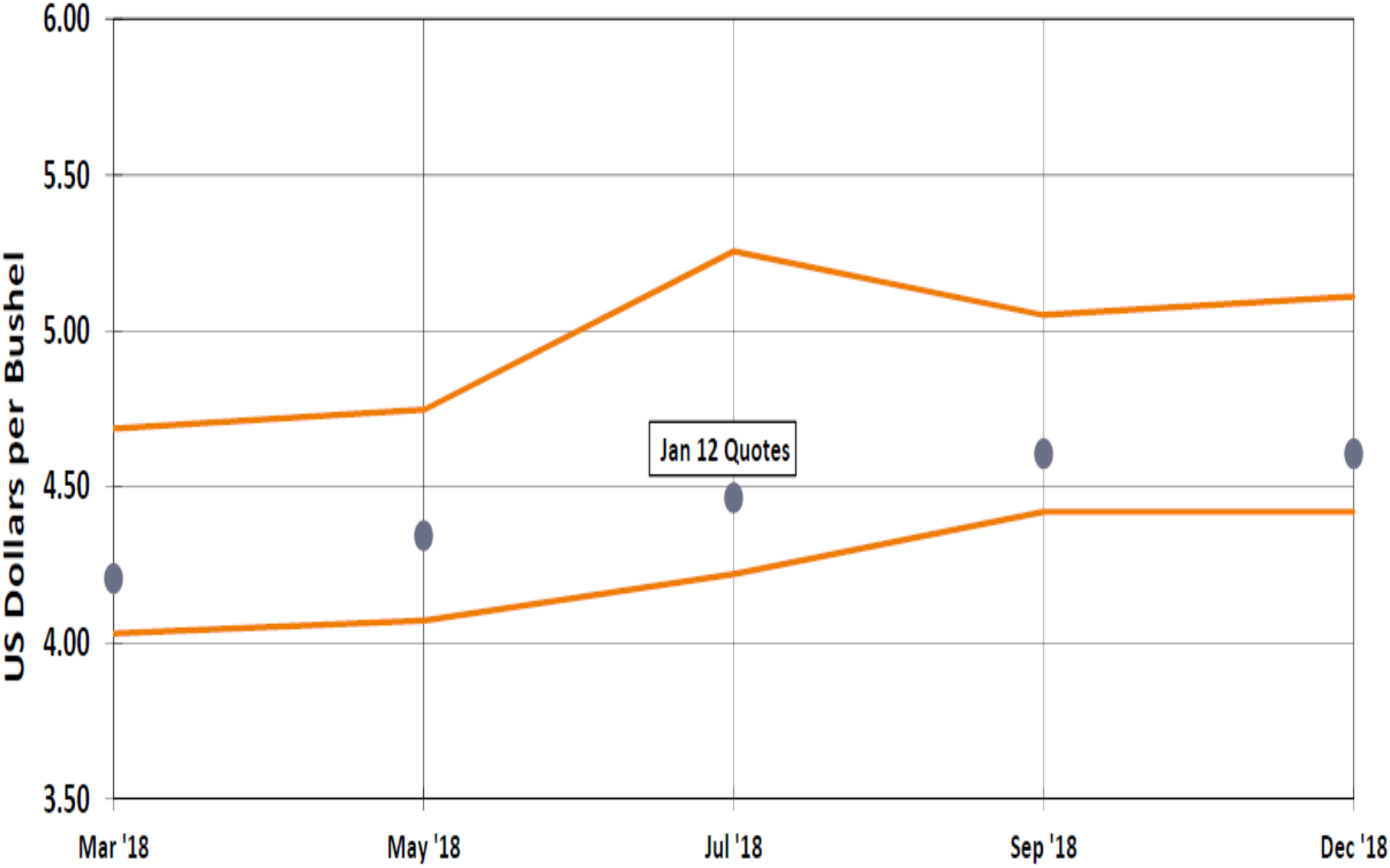


Updated: 02/08/2018

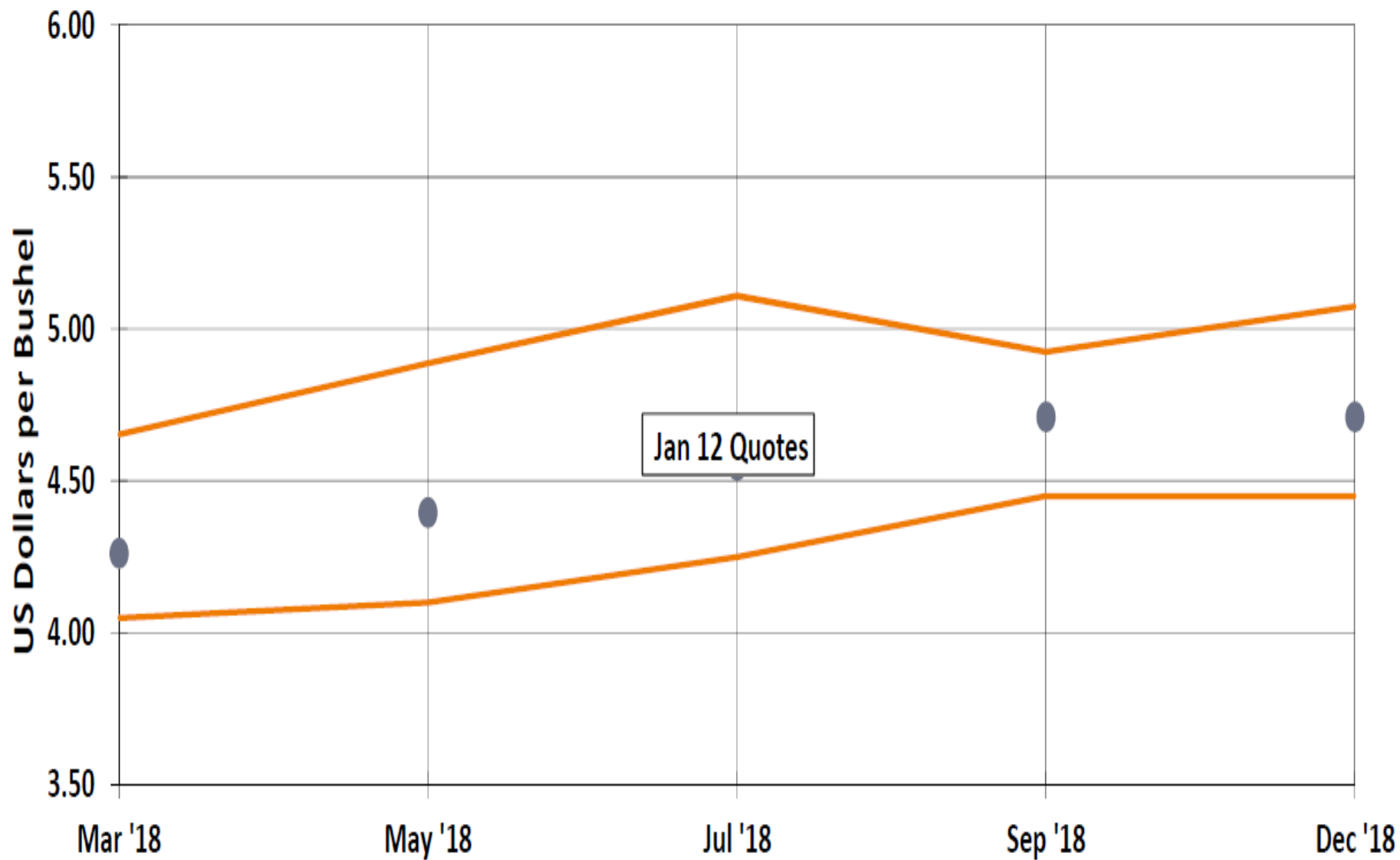


The Hightower Report

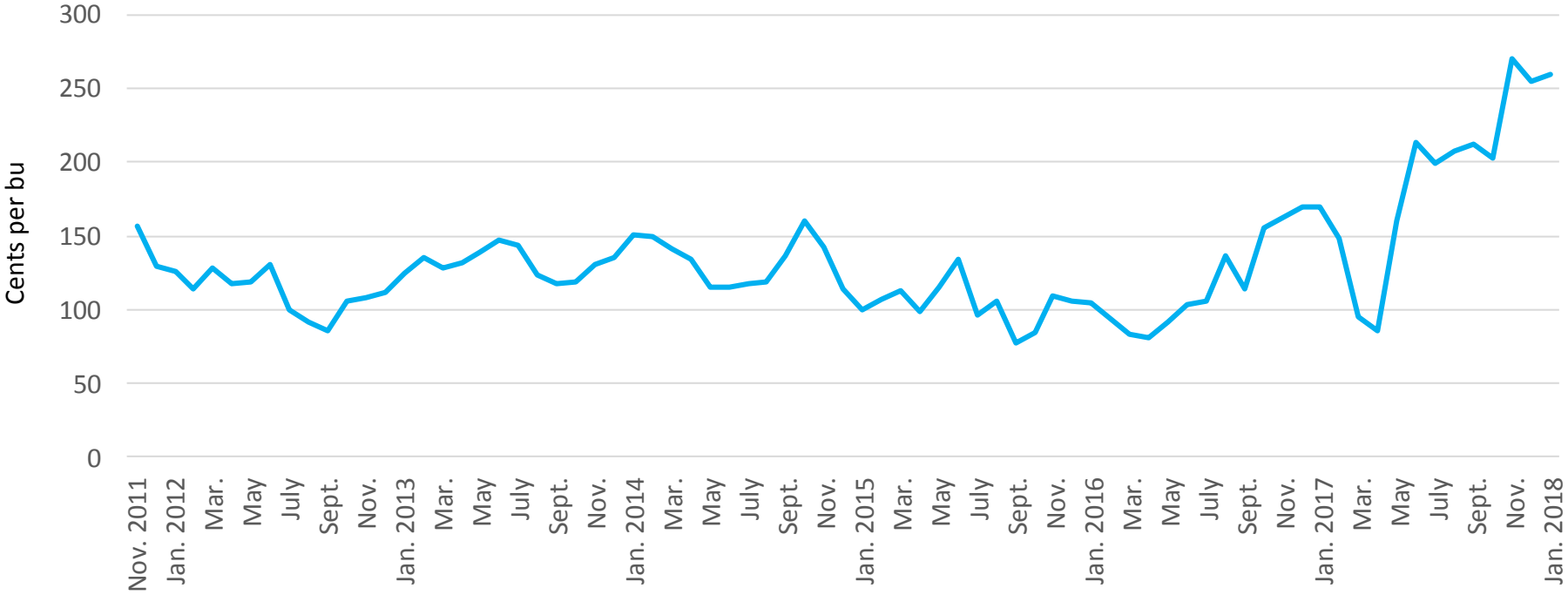
Chicago Wheat Futures Trading Range Forecast



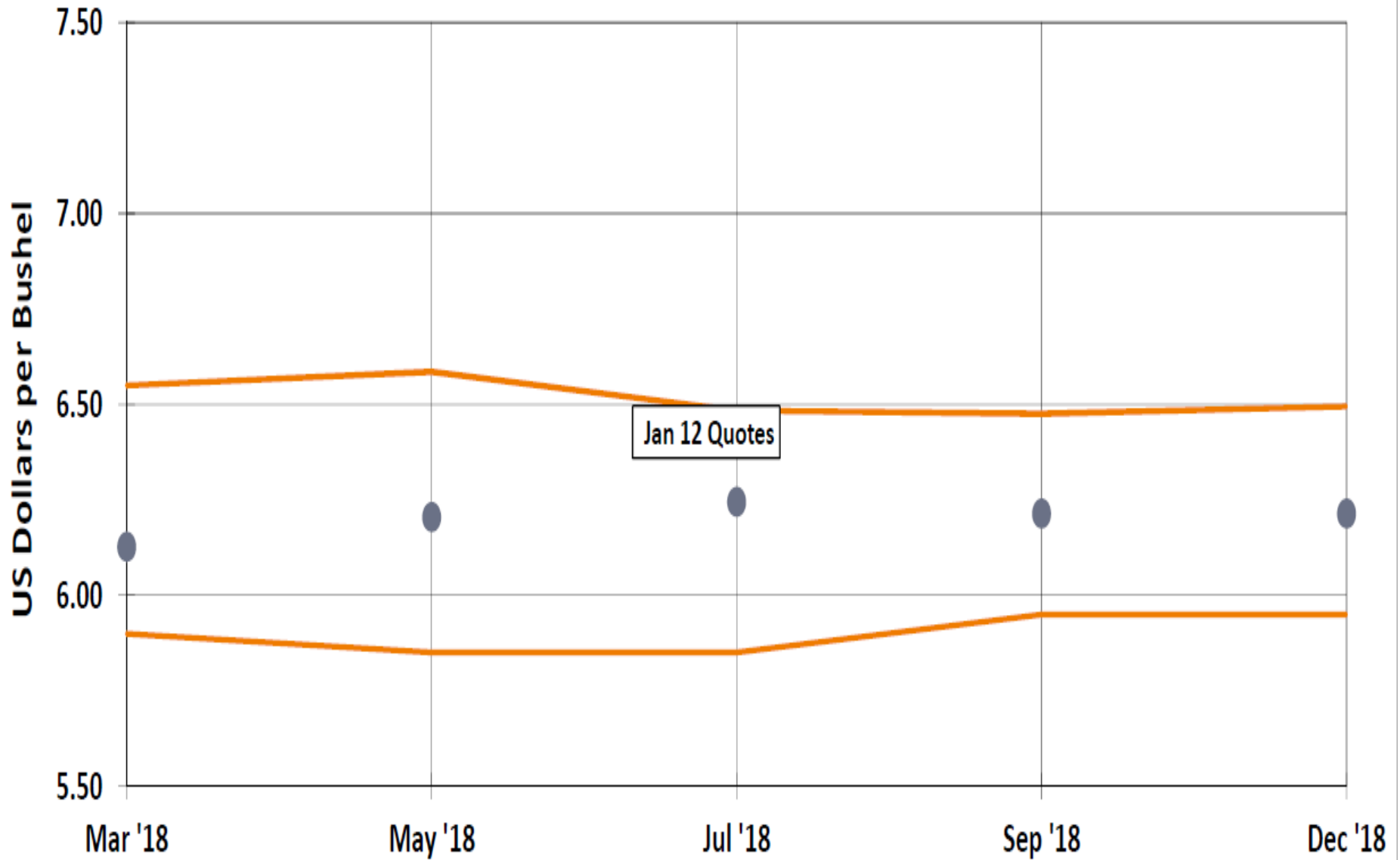
Kansas City Wheat Futures Trading Range Forecast



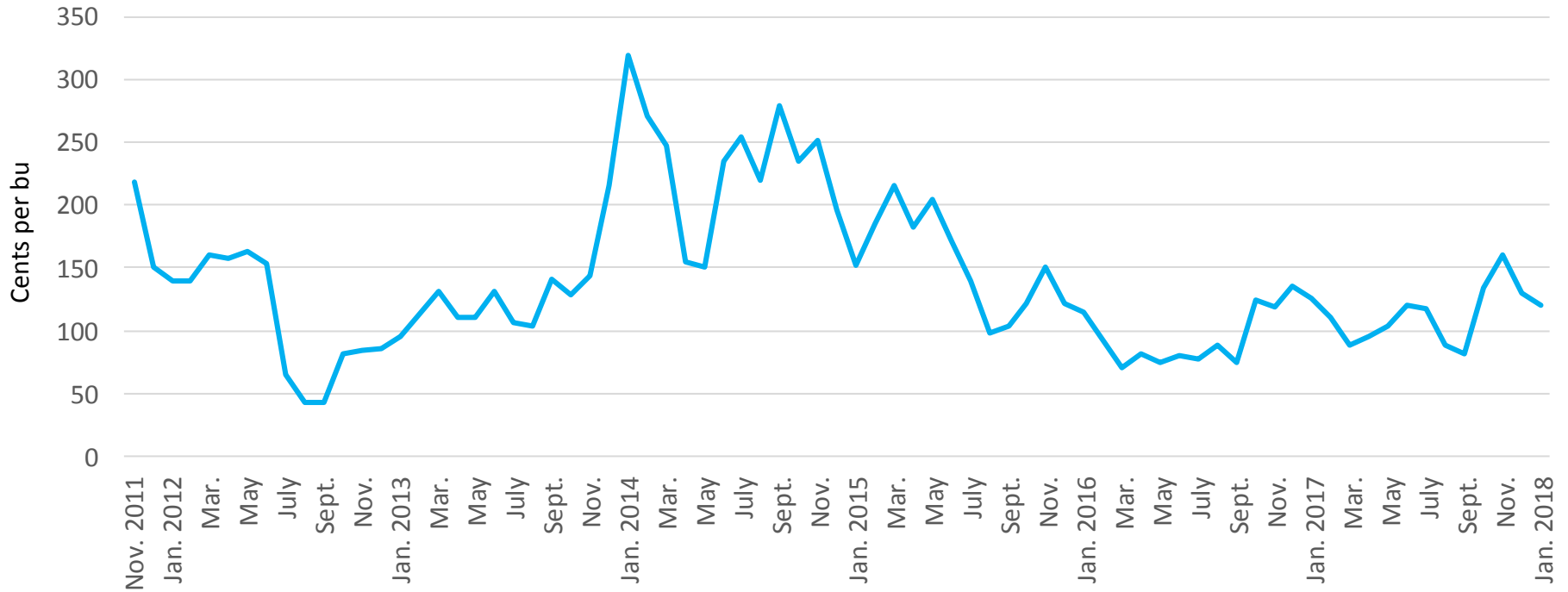
No. 1 hard red winter, basis K.C., 13%



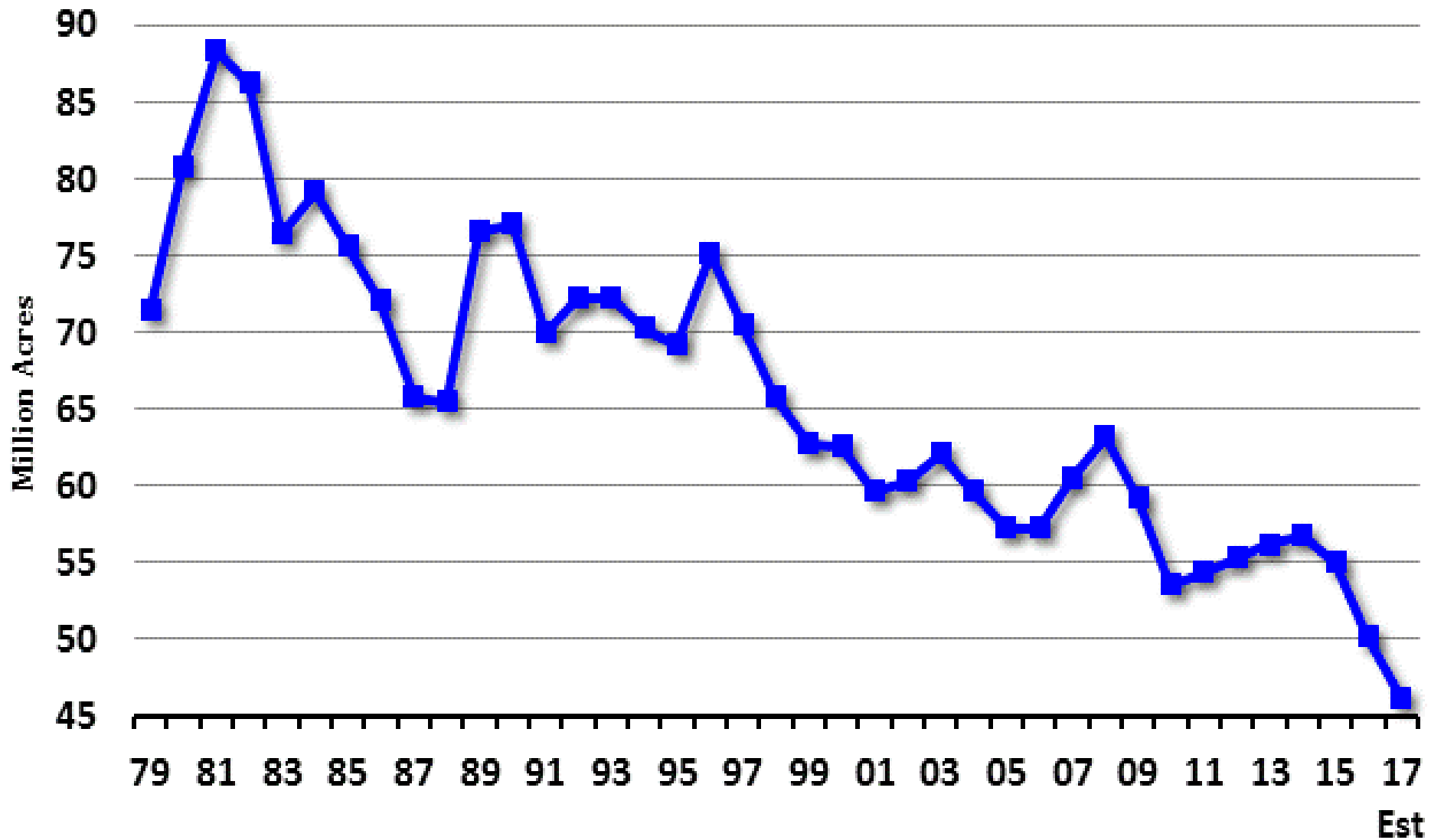
Minneapolis Wheat Futures Trading Range Forecast



No. 1 hard red spring, basis Minneapolis, 14%



US All Wheat Planted Acreage



Est

Most Recent: 46.10 As Of 05/10/2017

The Hightower Report

World Soybean Supply and Use

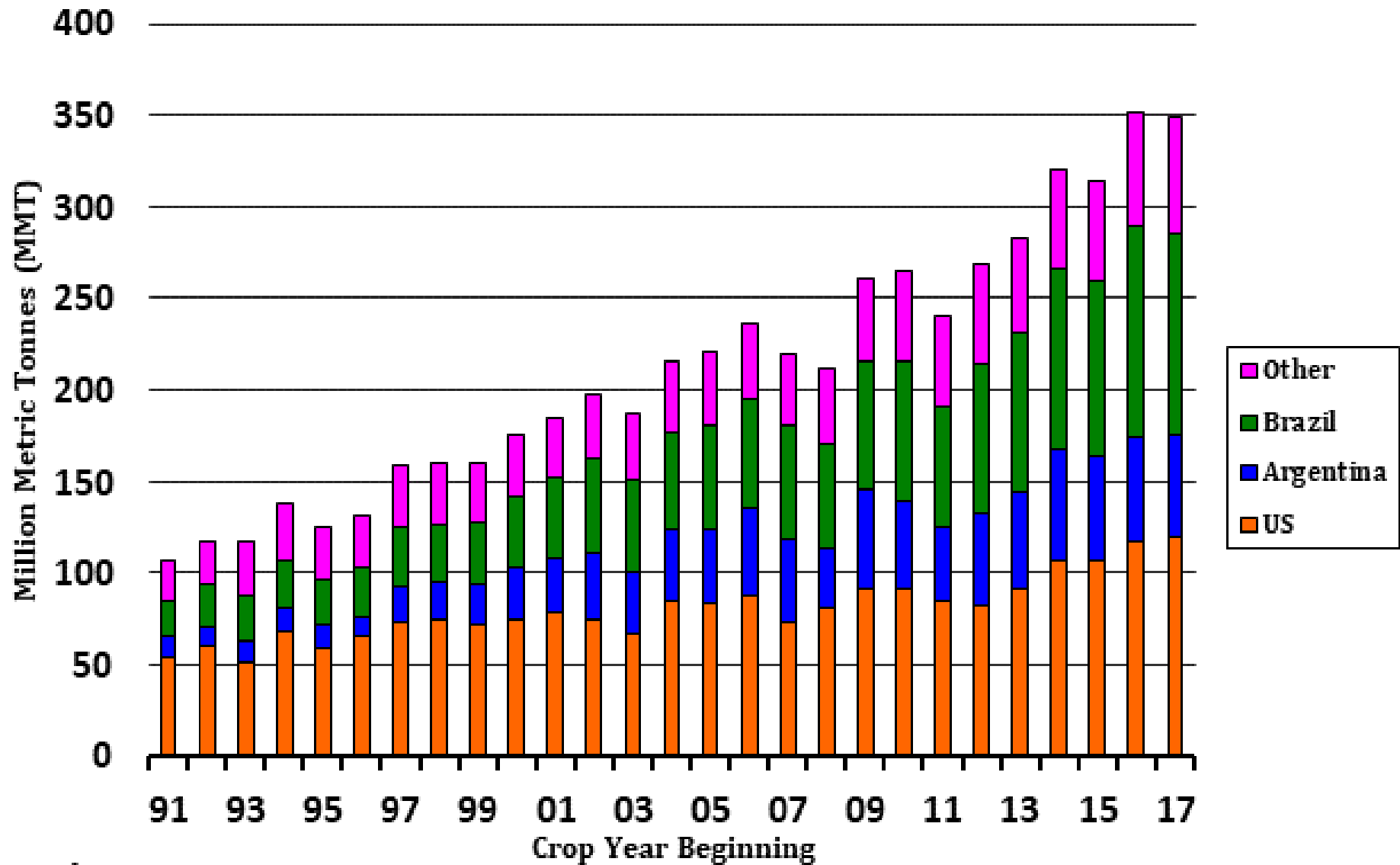
	2016/17	2017/18	Change from January 12	Change from 2016/17
	estimate	forecast		
<i>Million Tons</i>				
Beginning stocks	77.9	96.1	-0.4	18.2
Production	351.3	346.9	-1.7	-4.4
Total Supply	429.3	443.1	-2.0	13.8
Domestic crush	288.5	300.1	-1.4	11.6
Total use	330.1	343.2	-1.3	13.1
Trade	147.2	152.0	-0.2	4.7
Ending Stocks	96.1	98.1	-0.4	2.0
Addendum:				
Beginning stocks				
Argentina plus Brazil	49.8	61.1	-0.2	11.3
Imports*				
China	93.5	97.0	--	3.5

-- No change

*From all Sources

February 8, 2018

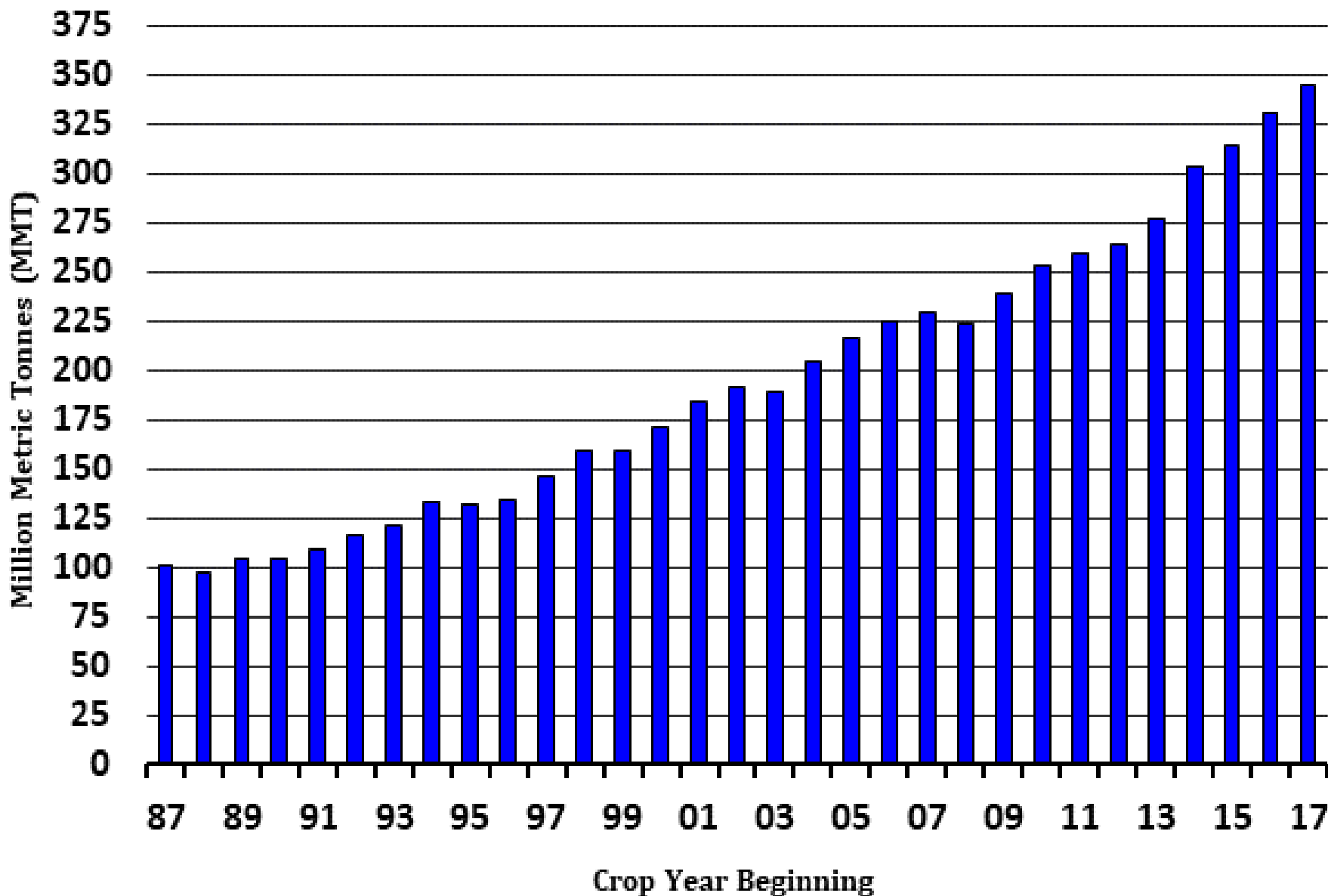
Soybean Production - Major Exporters



The Hightower Report

Most Recent: As Of 01/12/2018

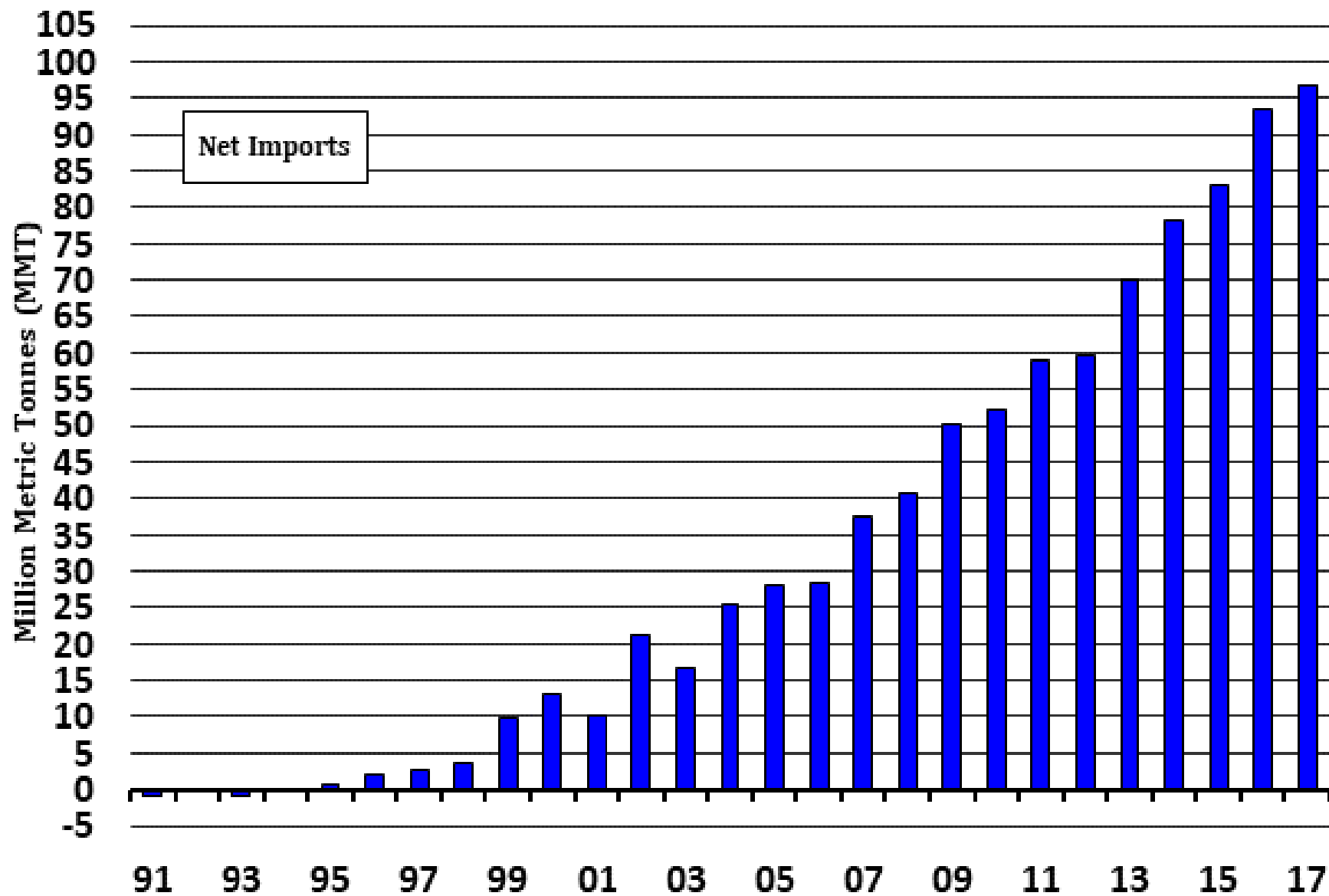
World Soybean - Domestic Consumption



Most Recent: 344.472 As Of 01/12/2018

The Hightower Report

China Soybean - Net Import / Export

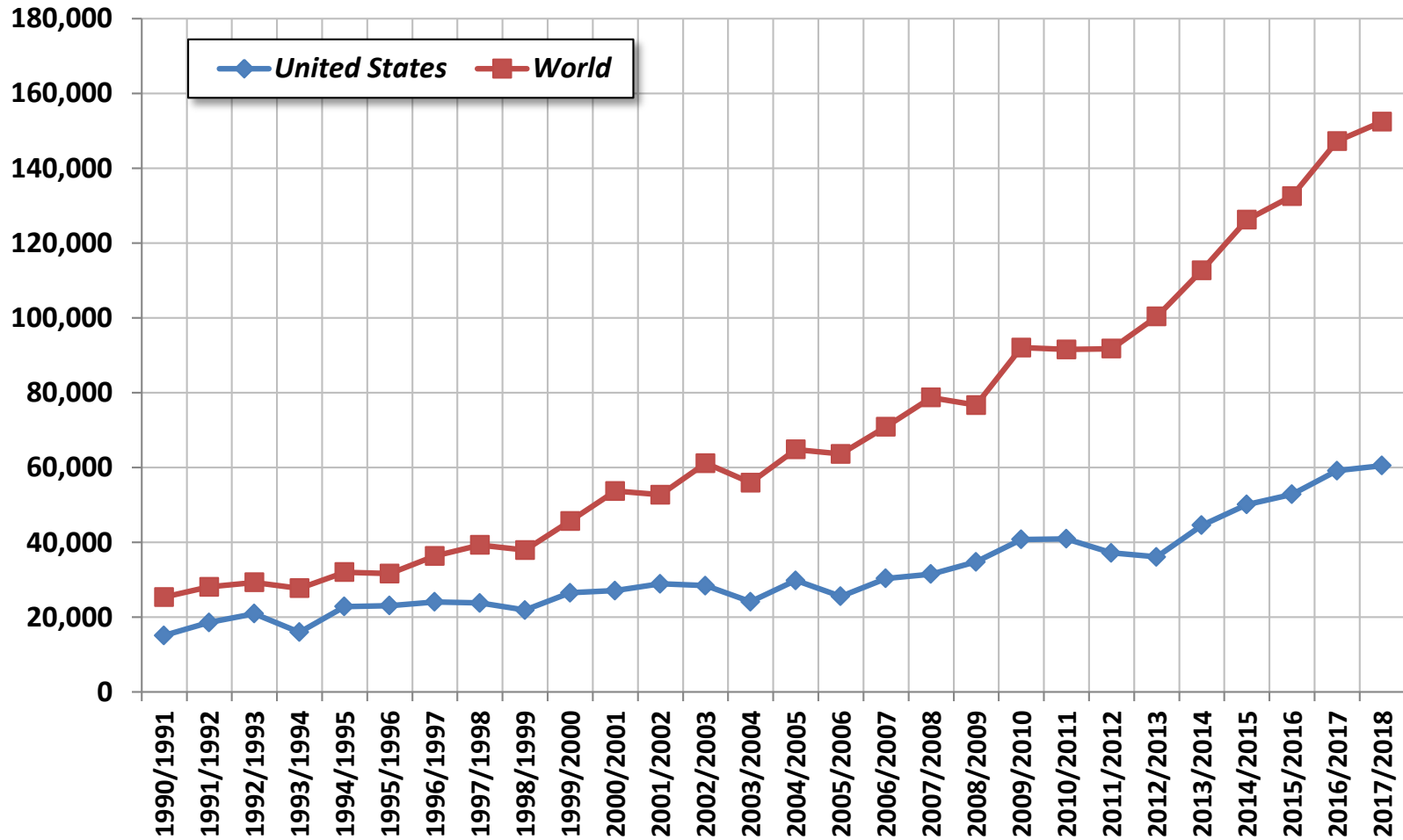


Most Recent: 96.85 As Of 01/12/2018

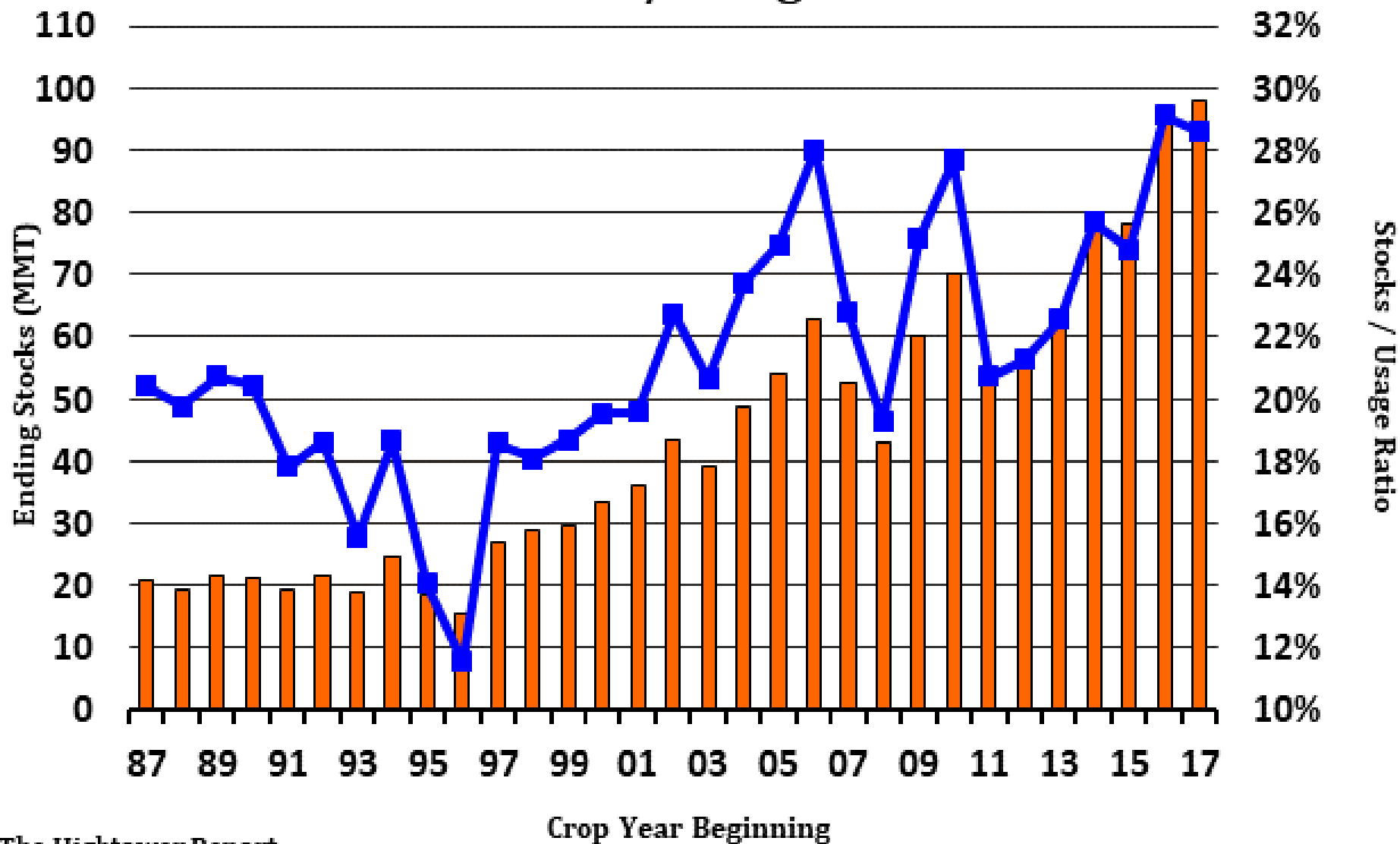
Crop Year Beginning

The Hightower Report

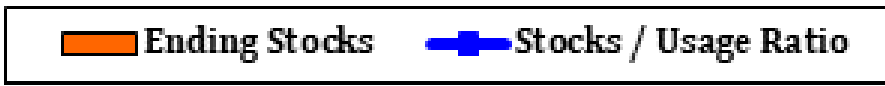
Soybean Exports - World vs. US (1,000MT)



World Soybeans - Ending Stocks vs. Stocks / Usage Ratio



The Hightower Report
 Most Recent: As Of 02/08/2018



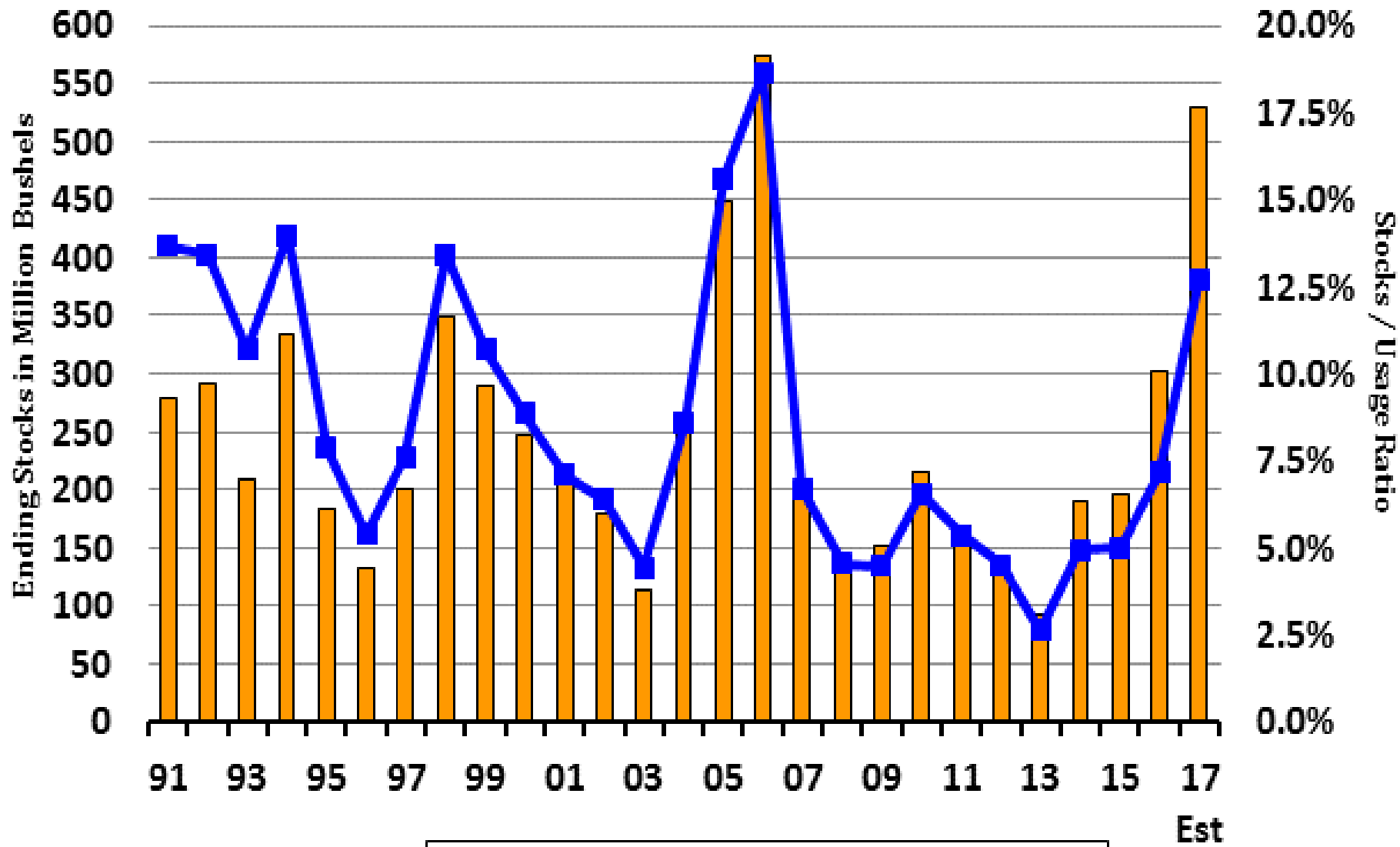
U.S. Soybean Supply and Demand

	2016/17 estimate	2017/18 forecast	Change from January 12	Change from 2016/17
Planted area (million acres)	83.4	90.1	--	6.7
Harvested area (million acres)	82.7	89.5	--	6.8
Yield (bushels per acre)	52.0	49.1	--	-2.9
		<i>Million bushels</i>		
Beginning stocks	197	302	--	105
Production	4,296	4,392	--	95
Imports	22	25	--	3
Total supply	4,515	4,718	--	203
Crush	1,899	1,950	--	51
Seed and residual	141	138	--	-3
Domestic use	2,040	2,088	--	48
Exports	2,174	2,100	-60	-74
Total use	4,213	4,188	-60	-25
Ending stocks	302	530	60	228
		<i>Percent</i>		
Stocks to use ratio	7.2	12.7	1.6	5.5
		<i>Dollars per bushel</i>		
Average market price	9.47	8.90/9.70	--	-0.17

-- No change

February 8, 2018

US Soybean Ending Stocks vs Stocks / Usage Ratio



Most Recent: As Of 02/08/2018

Ending Stocks Stocks / Usage Ratio

The Hightower Report

USDA SUPPLY/DEMAND										2018/19		
US SOYBEANS										Various Yields		
							Feb	Jan	Feb			
							USDA	USDA	USDA			
	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	17-18	Low	Average	High
Planted Area (M Acres)	77.4	75.0	77.2	76.8	83.3	82.7	83.4	90.1	90.1	91.0	91.0	91.0
Harvested Area (Acres)	76.6	73.8	76.1	76.3	82.6	81.7	82.7	89.5	89.5	90.3	90.3	90.3
Yield (Bu/Acre)	43.5	42.0	40.0	44.0	47.6	48.0	52.0	49.1	49.1	48.5	50.5	52.5
Beginning Stocks (M Bu)	151	215	169	141	92	191	197	302	302	530	530	530
Production	3,331	3,097	3,042	3,358	3,927	3,926	4,296	4,392	4,392	4,380	4,560	4,741
Imports	14	16	41	72	33	24	22	25	25	25	25	25
Supply, Total	3,497	3,328	3,252	3,570	4,052	4,140	4,515	4,718	4,718	4,935	5,115	5,296
Crushings	1,648	1,703	1,689	1,734	1,873	1,886	1,899	1,950	1,950	1,970	1,970	1,970
Exports	1,505	1,366	1,328	1,639	1,842	1,942	2,174	2,160	2,100	2,100	2,100	2,100
Seed	87	90	89	97	96	97	105	106	106	106	106	106
Residual	43	-2	16	10	50	18	36	33	33	33	33	33
Use, Total	3,282	3,159	3,111	3,478	3,862	3,944	4,213	4,248	4,188	4,209	4,209	4,209
Ending Stocks	215	169	141	92	191	197	302	470	530	726	906	1,087
Stocks/Use Ratio	6.6%	5.4%	4.5%	2.6%	4.9%	5.0%	7.2%	11.1%	12.7%	17.2%	21.5%	25.8%

Soybeans - COT - Disaggregated Futures and Options

Managed Money - Net Position

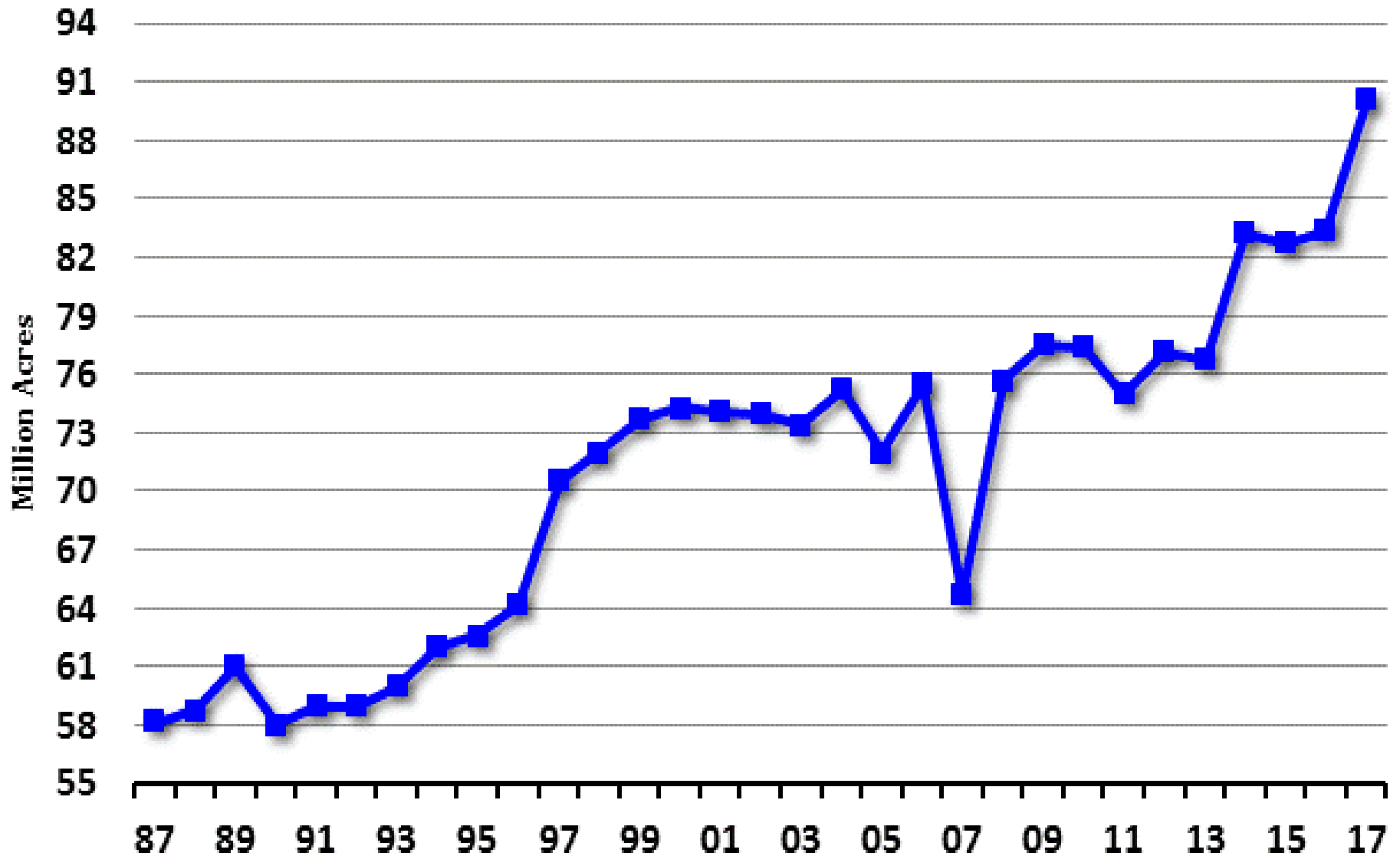
Number Of Contracts



The Hightower Report | Source: CFTC

Max: 253,889 (5/1/2012) - Min: -118,683 (6/27/2017) - Most Recent: -21,849 (01/30/2018)

US Soybean Planted Acreage

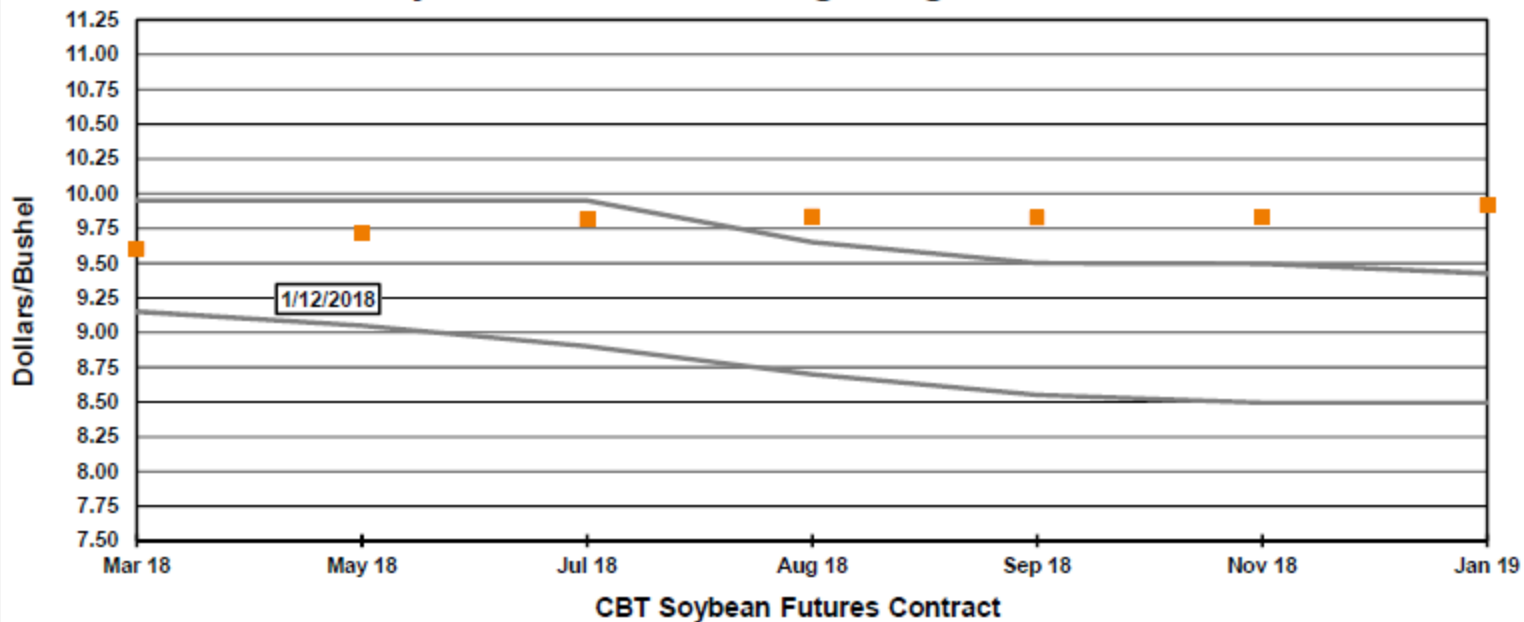


Est

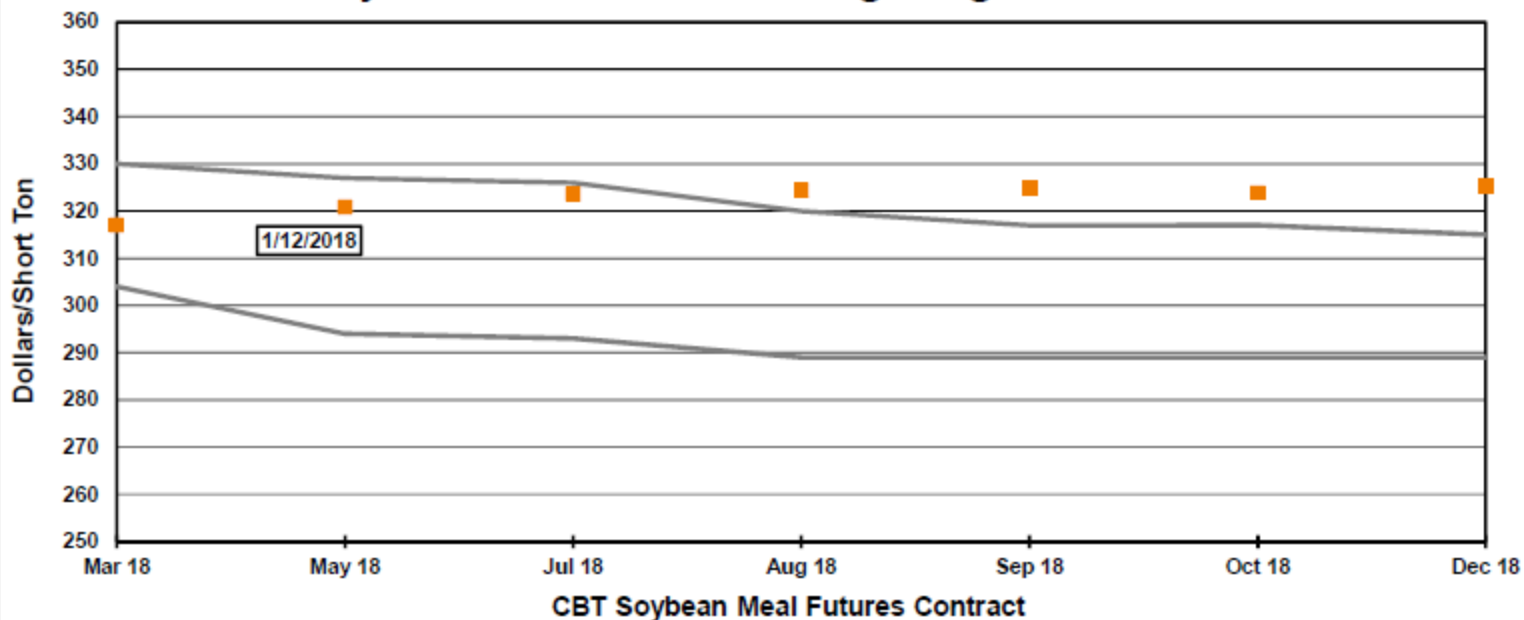
Most Recent: 90.1 As Of 01/12/2018

The Hightower Report

Soybean Futures Trading Range Forecast

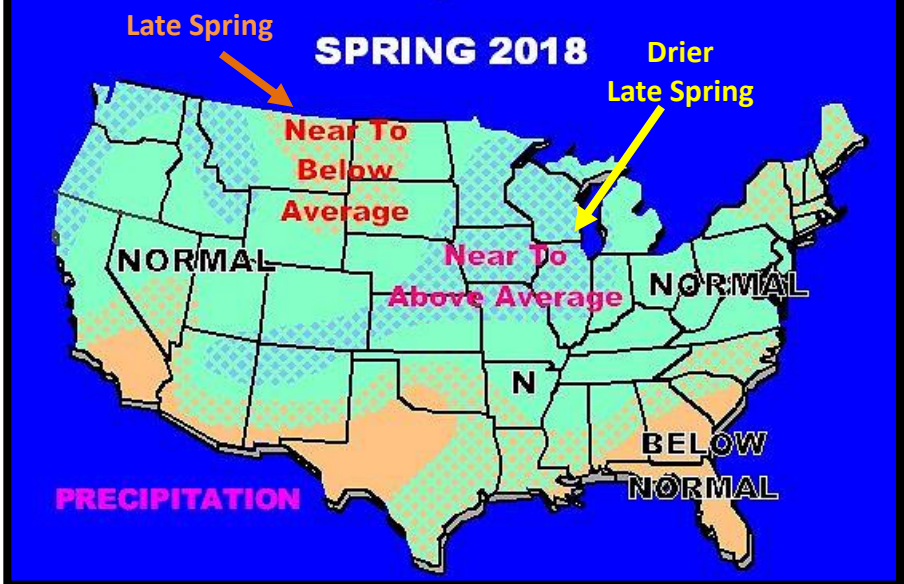
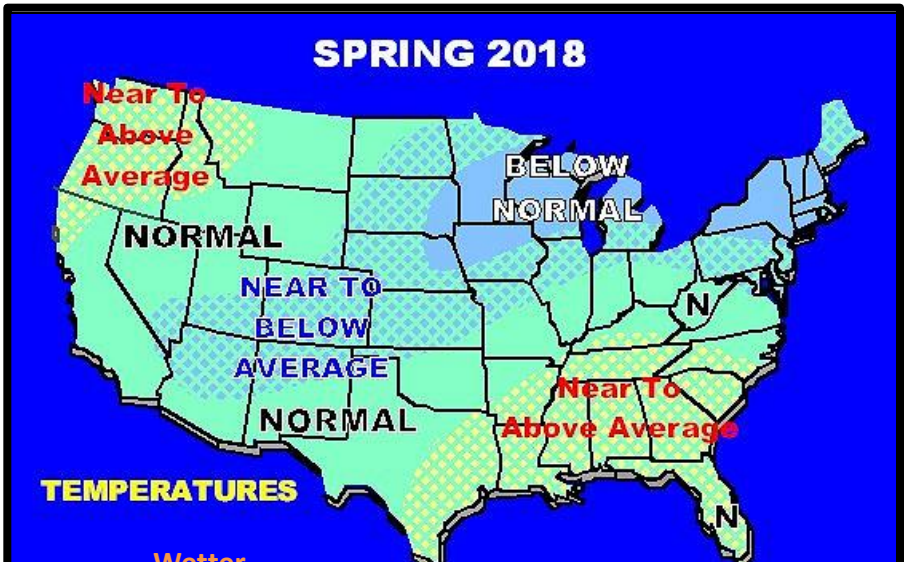


Soybean Meal Futures Trading Range Forecast



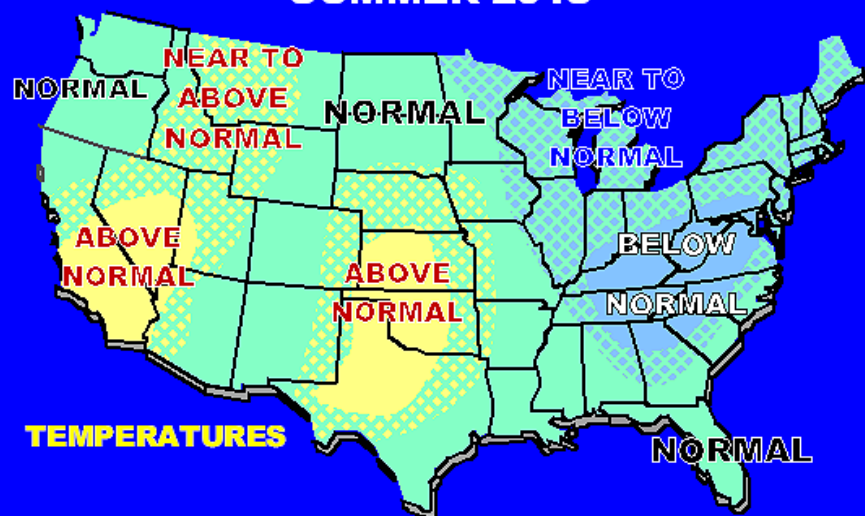
Cash: Weekly Palm Oil vs Soy Oil - Rotterdam





Winter weather in the U.S. will likely follow the traditions of most La Nina years. Spring weather will trend wetter in the central U.S. if La Nina is going to diminish. If La Nina prevails May will likely be the first anomalously warm and dry month in the Midwest.

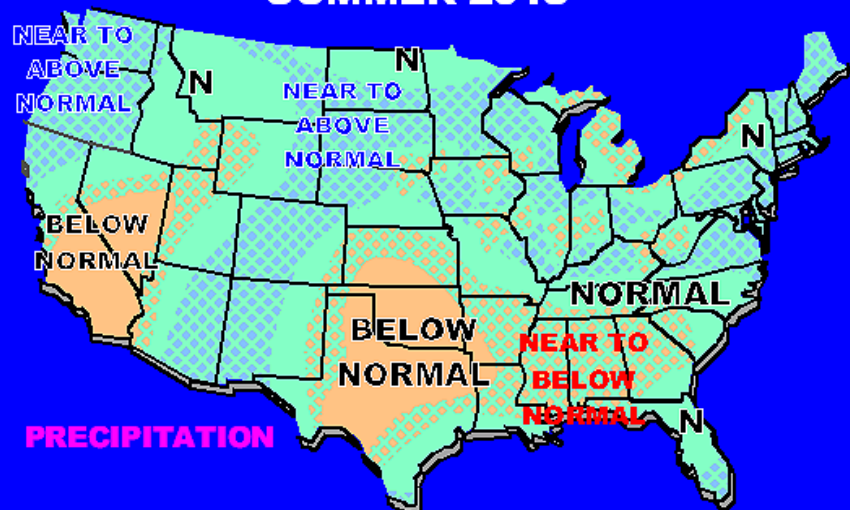
SUMMER 2018



TEMPERATURES

NORMAL

SUMMER 2018



PRECIPITATION

SUMMER 2018 WITH LA NINA



TEMPERATURES

SUMMER 2018 WITH LA NINA



PRECIPITATION

Summer 2018 will likely be one of blotchy rainfall, but summer temperatures will not be hot unless La Nina evolves. If La Nina evolves there will a larger part of the Midwest that deals with drier and warmer than usual conditions.

World Consumption Snapshot

	2000/2001	2016/2017	% Change	2015/2016	2016/2017	% Change	2017/2018 Forecast	% Change Most Recent
Population (Bil)	6.13	7.20	17.46%	7.12	7.20	1.12%	7.35	2.14%
Palm Oil	22.66	61.26	170.36%	59.18	61.26	3.52%	63.94	4.37%
Soybean Oil	26.12	53.81	106.04%	52.19	53.81	3.11%	56.10	4.25%
Soybean Meal	115.94	222.00	91.48%	213.42	222.00	4.02%	233.12	5.01%
Corn	608.95	1034.72	69.92%	987.75	1034.72	4.76%	1061.30	2.57%
Wheat	583.96	735.24	25.91%	708.84	735.24	3.72%	741.04	0.79%
Pork	84.50	109.67	29.78%	110.15	109.67	-0.44%	110.59	0.84%
Beef & Veal	52.91	58.71	10.96%	57.82	58.71	1.55%	59.36	1.10%
Milk	439.36	589.09	34.08%	582.68	589.09	1.10%	598.47	1.59%

China Consumption Snapshot

	2000/2001	2016/2017	% Change	2015/2016	2016/2017	% Change	2017/2018 Forecast	% Change Most Recent
Population (Bil)	1.26	1.37	8.73%	1.36	1.37	0.74%	1.37	0.00%
Palm Oil	2.03	4.82	137.67%	4.80	4.82	0.42%	4.80	-0.41%
Soybean Oil	3.54	16.35	361.60%	15.35	16.35	6.51%	17.40	6.42%
Soybean Meal	15.00	68.65	357.79%	62.66	68.65	9.55%	73.87	7.61%
Corn	120.24	232.00	92.95%	217.50	232.00	6.67%	240.00	3.45%
Wheat	110.28	118.50	7.46%	112.00	118.50	5.80%	116.00	-2.11%
Pork	39.58	54.98	38.91%	55.67	54.98	-1.24%	54.94	-0.08%
Beef & Veal	5.10	7.77	52.25%	7.34	7.77	5.76%	7.99	2.83%
Milk	9.18	38.23	316.60%	39.49	38.23	-3.18%	37.65	-1.53%
Sugar	8.65	15.80	82.66%	15.60	15.80	1.28%	15.60	-1.27%

Without Input and Farming Practices Innovation, More Farmland Would Be Needed

